

Impact of Different Leadership Styles of CEOs on Business Performance of SMEs in East Africa: A Systematic Review of Literature

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Abstract

This study attempts to review the prevailing body of literature on impacts of CEOs' different leadership styles on business performance of SMEs in East Africa. The objective of this study is to identify the research trend in the area and issues that are currently addressed in East Africa so as to help interested researchers in the area. 130 relevant studies on the topic were systematically reviewed and the findings showed that, Asia has the leading number of studies published consistently within the past ten years followed by Europe and USA while Africa has the lowest number of studies. In addition, East Africa is among the regions which have the lowest number of studies in Africa. Most studies reviewed covered trade, service, and manufacturing industries. The findings varied from country to country and on the nature of the industry involved. Researchers in leadership and performance of SMEs are encouraged to bridge the research gaps established by this study such as researching in the particular area in industries and countries where no or few studies have been done. A special attention needs to be made in areas like East Africa and related regions which seem to have the lowest number of studies in the particular area.

Keyword: CEOs' Different Leadership Style, Business Performance, Organisational Performance, Small and Medium Enterprises (SMEs)

Introduction

There has been a tremendous increase in the studies on the relation between leadership and business performance of organisations in many parts of the world in the last two decades. However, still very little is known about the relationship between leadership styles and business performance of SMEs. Leadership in business firms is unpopular and has long way to be celebrated by SMEs owners, leaders, and policy makers due to a traditional perception that business need management and not leadership. Poor performance of SMEs in the last two decades has raised alarm to researchers and policy makers on the importance of leadership in business performance of SMEs. Half of all SME start-ups in developed countries fail within the first five years of establishment while the surviving firms show stagnancy in growth (Mfaume & Leonard, 2004; Simeyo, Lumumba, Nyabwanga, Ojera & Oondo, 2011). Failure of SMEs in early stages of its life cycle and stagnancy indicates poor business performance associated with leadership factor (Zheltoikhova & Suckley, 2014). Environmental complexity and uncertainty have made overreliance on management risky and unreliable due to inability of managers to cope with changes in the organisations. Gradually researchers have begun accepting the fact that 21st century needs more leaders than managers due to their flexibility and thus ability of to cope with changes. As it is now, little is known about

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the prevailing state of the relationship between leadership and business performance of SMEs. However to remain focused this paper attempts to review the prevailing body of literature on impacts of CEOs' different leadership styles on business performance of SMEs. The objective of this study is to identify the research trend in the area and point out issues that are currently addressed so as to help interested researchers in the area.

Conceptual issues

Leadership and Leadership Types

The concept of leadership in business and organisational literature is not nascent. It is probably the most researched and written about topic (Luthans, 2008). However, there is still considerable controversy in the conceptualisation of leadership in terms of definition, leadership styles categorisation, and measures (Luthans, 2008). The definition of leadership has changed over the years (Joseph, 1968). It may look surprising that as early as 1920s, Cowley (1928) commented on the nature of leadership that is not a single trait but a combination of numerous traits and for some to understand what it means must unveil all constituents. At a glance it looked like appealing definition, but across time studies have proven it to be inadequate (Joseph, 1968). After reviewing leadership studies, Shartle (1956) concluded that the trait theory approach is a less satisfactory definition in terms of performance and thus trait idea could not fit any leadership study. He defined leadership as something which influences performance and thus it has to be called leadership performance. A different approach of leadership conceptualisation was brought in by Red (1935, 1942) where leadership was defined as the relationships existing among people. According to him, different types of leadership behaviour would involve different types of relationships. According to Red (1935), leadership is a concept applied to the personality-environment relation. Most of the literature defines leadership interims of interaction approach because of the assumption that, for the leadership to take place there must be an influence of a leader to the followers (Fleishman, 1961; Chakherlouy, 2014).

In recent years, many theorists and researchers have been emphasizing the difference between management and leadership (Bennis, 1988; Gonza' lez, 2002; Luthans, 2008). However, many studies still confuse between

management and leadership (Robbins, Judge & Sanghi, 2009). In the 21st century, complexity of business environment needs more leaders than managers (Luthans, 2008). Management is about administrating, copying of policies and ideas, maintenance of existing organisational norms of conduct and is short range focused while the opposite is true for leadership (Bennis, 1988). In other words business management is simply the method by which companies, big and small, are run and kept in check while leadership style is the way followers are influenced to achieve organisational goals (Ndagu, & Obuobi, 2010; Yergler, 2011).

From the existing literature, it is evident that defining leadership is still controversial among leadership researchers and a consensus view seems to be a long way to be realised. For the purpose of this study, Robbins, Judge and Sanghi's (2009), definition will be used. Leadership is thus defined as the ability to influence a group towards the achievement of a vision or set of goals (Robbins *et al.*, 2009). Leadership styles are thus various approaches used by leaders to influence followers towards achievement of the organisational goal.

Business Performance

Performance is a recurrent theme in most branches of management (Venkatraman, & Ramanujam, 1986). There has been a debate among researchers on what business performance is all about (Dess & Robinson, 1984; Barney, 1997). The fact that, business performance is a multidimensional concept, might have somehow contributed to the lack of unanimity in defining business performance (Hansen & Wernerfelt, 1989; Wiklund & Shepherd, 2005). Most of the studies reviewed, used business performance and organisational performance interchangeably suggesting that there are no conceptualisation differences between the two concepts (Yang, 2008; Aziz, Mahmood & Abdullah, 2013a; Arshad & Rasli, 2013; Arief, Thoyb & Sudiro, 2013). Javier (2002), as cited by Abu-Jarad, Yusof and Nikbin (2010), associates business performance with the famous 3Es (economy, efficiency, and effectiveness) of a certain programme or activity. On the other hand, Daft (2000) defined organisational performance as the organisation's ability to attain its goals by using resources in an efficient and effective manner. Likewise, Maalu, McCormick, K'Obonyo and Machuki (2013), based on Steers (1975),

defined firm performance as efficiencies and effectiveness in terms of utilisation of resources as well as the accomplishment of its goals (Dess & Robinson, 1984; Ricardo, 2001).

Previous studies suggest that business performance is a multidimensional concept which cannot be adequately captured by a single dimension. Some studies have considered performance to be input oriented which includes resource capacity, environmental conduciveness and history of the firm (Mockaitis, 2005; Kraus *et al.*, 2005; Ling, Lubatkin, Simsek & Veiga, 2008). Others have focused in the process (Yanney, 2014) while some have associated it to the organisational output (Yang, 2007, 2008; Rukmani, Ramesh & Jayakrishnan, 2010; Ojokuku, Odetayo & Sajuyigbe, 2012; Koch & Namusonge, 2012; Aziz, Mahmood & Abdullah, 2013b; Karamat, 2013, Shahhosseini, Kavousy & Tohid arda haey, 2013; Arshad & Rasli, 2013; Arham, Boucher & Muenjohn, (2014). However a comprehensive and multidimensional business performance conceptualisation was done by Wu (2009), in a doctoral study which combined input, process and output dimensions of business performance. Looking critically into the debates involved in the conceptualisation of business performance, it is obvious that one cannot claim generalisation of findings on business performance based on one dimension only simply because business performance is multidimensional and complex which cannot be captured by a single dimension. However, it is logical to accept the fact that, measuring business performance in as comprehensive conceptualisation as this is difficult unless it is done subjectively by relying on the perception and opinion of CEOs on the effectiveness of the organisational inputs, process and output.

Small and Medium Enterprises

Small and medium-sized enterprise (SME) is a well-known concept in the entrepreneurial literature (Oyeniya & Adeniji, 2010). However, there is no universally accepted definition of SMEs worldwide (URT, 2003). Most countries use the size of the firm and capital investment criteria to distinguish SMEs from other businesses. Some of the size indicators used internationally to define small and medium enterprises include; number of employees, asset ownership, and firm turnover (Gibson & Van der Vaart, 2008). Gibson & Van der Vaart (2008) defined SMEs by formulae criterion. According to them, SME can

be defined as a formal enterprise with annual turnover-in U.S. dollar terms-of between 10 and 1000 times the mean per capita gross national income, at purchasing power parity, of the country in which it operates. However, some studies suggested that, defining SMEs, according to the socio-cultural context is more appropriate than any attempt to come up with a universal definition, since SMEs differ from one cultural setting to the other (Hamisi, 2011; Kazimoto, 2014). European Commission (2011) defines SMEs as enterprises which employ fewer than 250 persons and which have annual turnover not exceeding 50 million euro, and annual balance sheet not exceeding 43 million euro. On the other hand, the Bolton Committee defined SME as independent, typically local firm that is owned by one individual with a small market share (Bolton, 1971). In Tanzania, for example the term SMEs is used to mean micro, small and medium enterprises, sometimes referred as micro, small and medium enterprises (MSMEs), thus it is common to see the two terms used interchangeably (URT, 2003). The commonly used yardsticks include total number of employees, total investment and sales turnover. As Table 1 indicates, in Tanzania's context, micro enterprises are the one with 1 to 4 employees, small enterprises are the one with 5 to 49 employees, and medium enterprises are the one with employees from 49 to 99 while large enterprises comprise of employees from 100 and above (URT, 2003). This study will use the Tanzanian definition of SMEs because the study will focus on Tanzania's context. However micro enterprises are excluded because most of them are unregistered and often with no clear contact addresses. In case a firm fall under two categories of number of employee's criteria, the level of investment will be used as the deciding factor.

Table 1: Categories of SMEs in Tanzania

Category	Employee	Capital Investment In Machinery (Tshs.)
Micro enterprise	1-4	Up to 5 mil.
Small enterprise	5-49	Above 5 mil. to 200 mil.
Medium enterprise	50-99	Above 200mil.to 800 mil.
Large enterprises	100+	Above 800 mil.

Source: URT, 2003

Research Questions

1. What are the main leadership styles used by leaders in small and medium enterprises?

2. What are the findings of existing studies on impacts of different leadership styles on business performance of SMEs?
3. Does nature of industry and national culture affect the relation between leadership styles and business performance of SMEs?

Research Methodology

This study uses a systematic literature review design to explore, and present the synthesized yet detailed body of knowledge about the existing state of literature on impacts of leadership styles on business performance of SMEs. Systematic literature review is highly important in management researches because it bridges the narrative literature limitations as it addresses the mounting critics that narrative literature lacks relevance as a result of using personal, and mostly, author's subjectivism and biasness on the methodology (Tranfield, Denyer & Smart, 2003; Cooper, 2010). According to Tranfield *et al.* (2003) and Denyer and Tranfield (2006), application of specific principles of systematic review methodology normally used in medical sciences is useful in bridging the subjectivity gap realised in narrative literature. It is well established in management science researches that, systematic literature review is the most reliable, efficient method of assessing extensive bases of literature (Cook, 1997; Denyer & Tranfield, 2006).

In this study we adopted Alderson, Green and Higgins' (2004) systematic literature review methodology which involves two steps namely, setting the inclusion and exclusion criteria, systematic search of existing studies, filtration of literature, systematic analysis of the relevant studies and systematic presentation of the findings.

Scope of the Research

For keeping the scope of this study focused, this study is strictly concerned with literature on impacts of leadership styles on business performance of SMEs in East Africa, between 1983 and 2014. We chose this scope because of the nature of the phenomenon involved in this study. In many countries especially in the developing world SMEs sector emerged in early 1980s following economic policy reforms associated with Washington consensus policy of economic liberalisation. In addition, merging leadership and entrepreneurship is a recent trend in

management science researches thus less has been done so far. Leadership has long been perceived as inborn character since the great man theory era to 21st century when it no one can deny the fact that business regardless of its size need effective leadership to succeed. Fragility of business environment has made long trusted managers to lose their monopoly recognition in business they have enjoyed due to inability to sustain business without the help of business leaders. Researchers all over the world are gradually responding to it although more works are in corporate business while very little has been done focusing small and medium sized businesses. Situation is even worse in East Africa and related regions in Africa where despite the poor performance of SMEs associated with poor leadership still leadership role in business is long way to be appreciated (Zheltoukhova & Suckley, 2014). For these reasons we decided to review all relevant yet reputable studies within our reach between 1983 and 2014 so as to provide researchers in this area with the prevailing state of literature at their disposal as a way of encouraging more works from different parts of the world due to difficulty in getting enough studies in one source which otherwise might discourage researchers. However, for the purpose of remaining focused we decided to narrow down the review to East Africa thus establishing a literature comparative framework between east Africa and other parts of the world.

Research Strategy

We began the research by searching for articles in reputable published journals available in various online sources. We used as many search engines and databases as possible with no publication restrictions outlet with intentions of retrieving as many articles as possible. The first phase of database search was limited to abstracts, key words and title, or if such options was not available, which was the case we expected for Emerald. Keywords used in the initial search included leadership, leadership styles, business performance, organisational performance, small and medium enterprises, and SMEs. Some keywords used with their alternatives as well as acronyms used together with their long forms so as to retrieve as many articles as possible by broadening the scope of search. As shown in Table 2, search engines used in this study included ask, Google, Google scholar, all the web, advanced Google and hotbot for mono search while meta search engines were

Table 2: Search Engines Included in the Initial Literature Search

<i>Mono search engines</i>	<i>Number of items retrieved</i>	<i>Useful items</i>	<i>Meta search engines</i>	<i>Number of items retrieved</i>	<i>Useful items</i>
Ask	36	6	Ixquick,	634	9
Google Scholar	100	20	Zapmeta	881	1
All the web	28	4	Mamma	50	1
Advanced Google	50	10	MetaCrawler	15	1
Hotbot	29	2	Dogpile	450	1
Total	243	42	Ixquick,	2030	13

Source: Compiled by authors based on the literature search conducted between July and December 2014

Ixquick, zapmeta, mamma, Metacrawler and dogpile. We started the search with mono search engines followed by meta search engines in which the former included single engines while the later dealt with a combination of search engines. One can easily note that the number of articles declined sharply from the mono search engine to the meta search engines, this is because we did not allow duplicates when making decisions on useful articles to keep after retrieval. This means that most papers retrieved by meta search engines were found to be a duplicate of the one retrieved earlier in mono search engines.

Systematic literature search also included reputable scholarly databases such as proquest, Ebsco Emerald and Harvard publishing database which were accessible during the time of review.

As shown in Table 3, we found a good number of useful journals if compared with the one obtained from the search engines. After the search has been completed we found a grand total of 834 which required extensive filtration using inclusion and exclusion criteria summarised in Table 4.

Table 3: Databases Included in the Systematic Literature Search

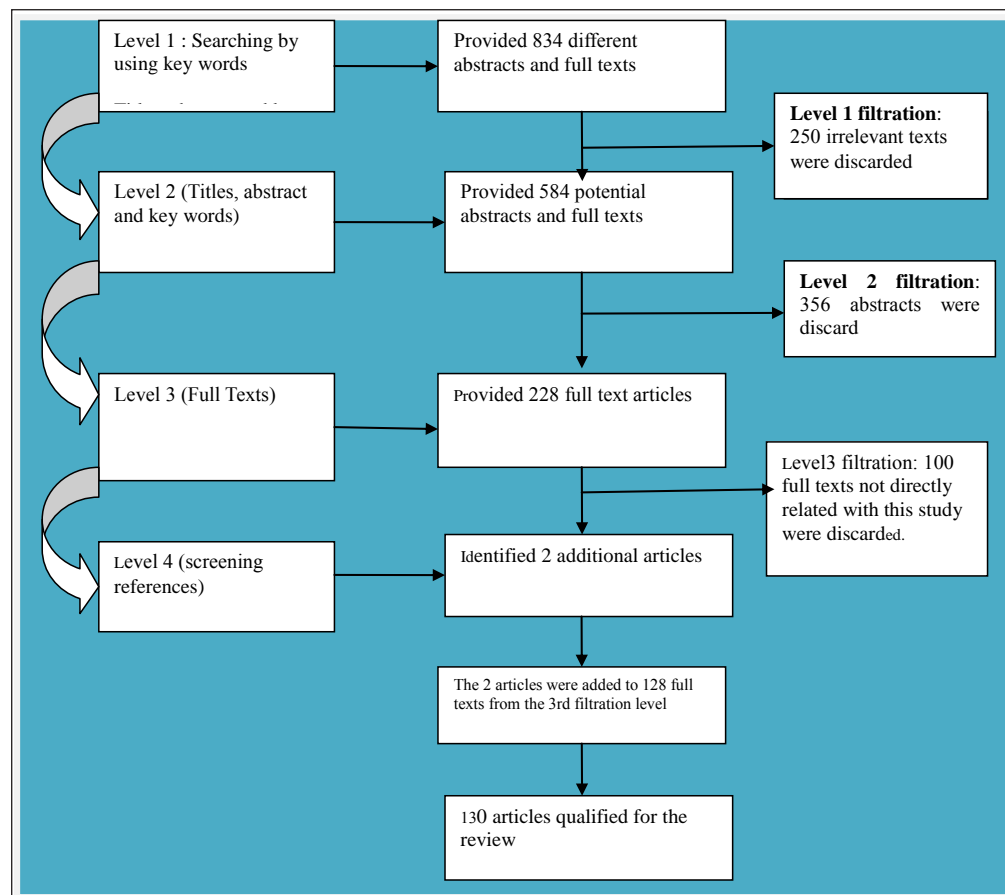
<i>Database</i>	<i>Number of studies retrieved</i>	<i>Number of useful studies</i>	<i>Date of retrieval</i>
Proquest	243	40	05/07/2014 at 13:23 PM
Ebsco	60	25	05/09/2014 at 23:05 PM
Emerald	213	25 (abstracts)	06/10/2014 at 8:00 AM
Harvard publishing database	62	5	06/12/2014 at 00:15 AM
Total	578	95	

Source: Compiled by authors based on the literature search conducted between July and December 2014

Table 4: Inclusion and Exclusion Criteria

<i>Inclusion criteria</i>	<i>Exclusion criteria</i>
Scholarly journals	Documents not in English language
Trade journals	Unpublished materials
Scholarly Manuals	Not directly related to the research topic
Doctoral dissertations	Incomplete item. Eg. Abstracts
Books	Duplicates in the search sources.
Conference papers	Unofficial websites and internet materials
Grey Literature	Opinion pieces
Articles from professional and scholarly Websites	Reviews, Commentaries, Editorials
Project papers	Purely anecdotic papers
Scholarly Magazines	Books

Source: Authors based on their decisions on what to include and exclude as per research objectives and theoretical reasoning

Fig. 1: Systematic Literature Review Process

Source: Adopted from Keranen, Piirainen and Salminen (2012)

Three levels of literature filtration were used as indicated in Fig. 1 in which during the first level of filtration, 250 journals were discarded based on the exclusion criteria shown in Table 4 while the remaining were within the set inclusion criteria. However, we found need to go for further filtration and literature refining in two more steps.

Description of the Literature

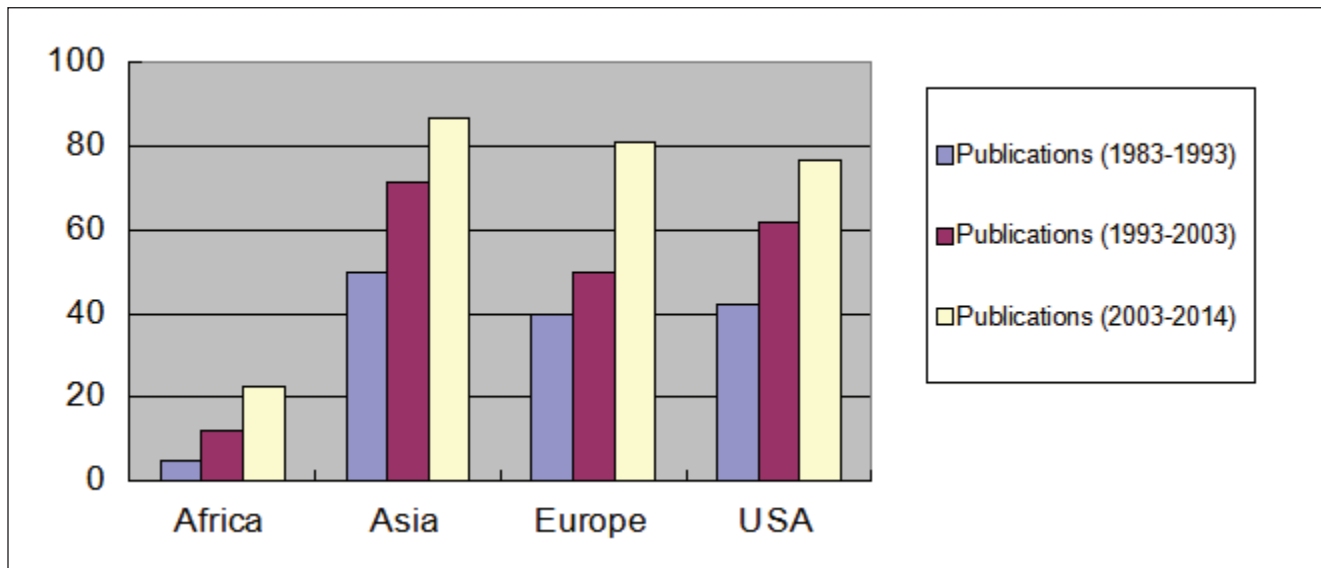
Based on the systematic literature review of previous studies published between 1983 and 2004, for reasons explained earlier, we found 130 studies published within the said period in relation to the impacts of different leadership styles of CEOs. The systematic review was conducted between June 2014 to December 3014 using online databases accessible at Birla Institute of Management Technology (BIMTECH), in India and search engines explained earlier in the research strategy subsection. Summary of the publications which were reviewed by this study are presented in Appendix 1.

Publication Trends

Out of 130 studies published only two studies covered East Africa as shown in Fig. 2, while most of the publications came from Asia followed by Europe and USA.

The systematic literature review of the studies we were able to cover in the scope of our search shows that Africa has the lowest growth of publications though there is a substantial growth in the last ten years. On the other hand Asia was found to be leading in publications growth in the last 20 years followed by Europe and USA. Some places are not shown in Fig. 1; this does not mean that there has been no publication in the proposed area; rather we did not see any study fitting within our inclusion criteria stated in Table 4. The review also found that number of publications was not evenly attributed choreographically because as shown in Table 5, Asia has the highest number of publications followed by Europe and USA. It is important to note here that Latin America has no

Fig. 2: Publication Trends (%) in Various Regions on Leadership Styles and Business Conformance



Source: Authors based on a systematic literature review of 130 previous studies

publication found fitting our inclusion criteria set for this review. As pointed out earlier this does not mean that there are no publications in that region rather publications did not meet our inclusion criteria. For example most studies in leadership and business performance retrieved from Latin America were not in English language hence were discarded during various levels of the filtration process.

area in Tanzanian context. Other regions which had no studies found included central Africa and North Africa. We argue based on theoretical reasoning that this might have been due to languages of literature in those regions. For example most countries in Central Africa use French language as a medium of instruction while most countries in North Africa use Arabic language as a medium of instruction.

Table 5: Geographical Coverage of the Previous Works

Region or country of publication	Number of studies published
Asia	54
Europe	38
USA	24
Latin America	0
Africa	12
East Africa	2
-Tanzania	0
-Kenya	1
-Uganda	1
Grand total number of studies reviewed	130

Source: Authors based on a systematic literature review of 130 previous studies

East African region which is the focus of this study had as few as two studies only from Kenya and Uganda, while no study was found to have covered the research

Table 6: Industry Coverage of the Previous Works

Industry of publication	Number of studies published
Micro finance	38
Education	13
Health	3
Technology	1
Logistics	5
Retail	5
Tourism	1
Telecommunication	7
Construction	7
Manufacturing	27
Multi industries (Studied more than one industry)	20
Grand total number of studies reviewed	130

Source: Authors based on a systematic literature review of 130 previous studies

Based on the studies reviewed it was found that, more publications were in micro finance industry followed by combination of industries which we decided to call 'multi industry studies', manufacturing industry and education industry. As shown in Table 5, some industries have received minor attention such as technology, logistics, and tourism, agribusiness, and hospitality industries. Based on theoretical reasoning, it can be argued that, since most SMEs are quick profit runners with a low capital investment, some of the industries which require high capital and slow return are not favourite to them. Lack of data resulting from this reason might have been a reason why only few studies covered these industries. However we call for further studies to try researching on those industries as contribution to literature depending on data availability and conveniences.

Research Methods and Settings

It was noted that of the 130 reviewed papers, 125 were empirical papers while only 5 were conceptual papers. Of the 125 empirical papers, 10 used qualitative method, 30 used quantitative methods while 85 used various types of mixed method. In other words, 96.15% of the reviewed

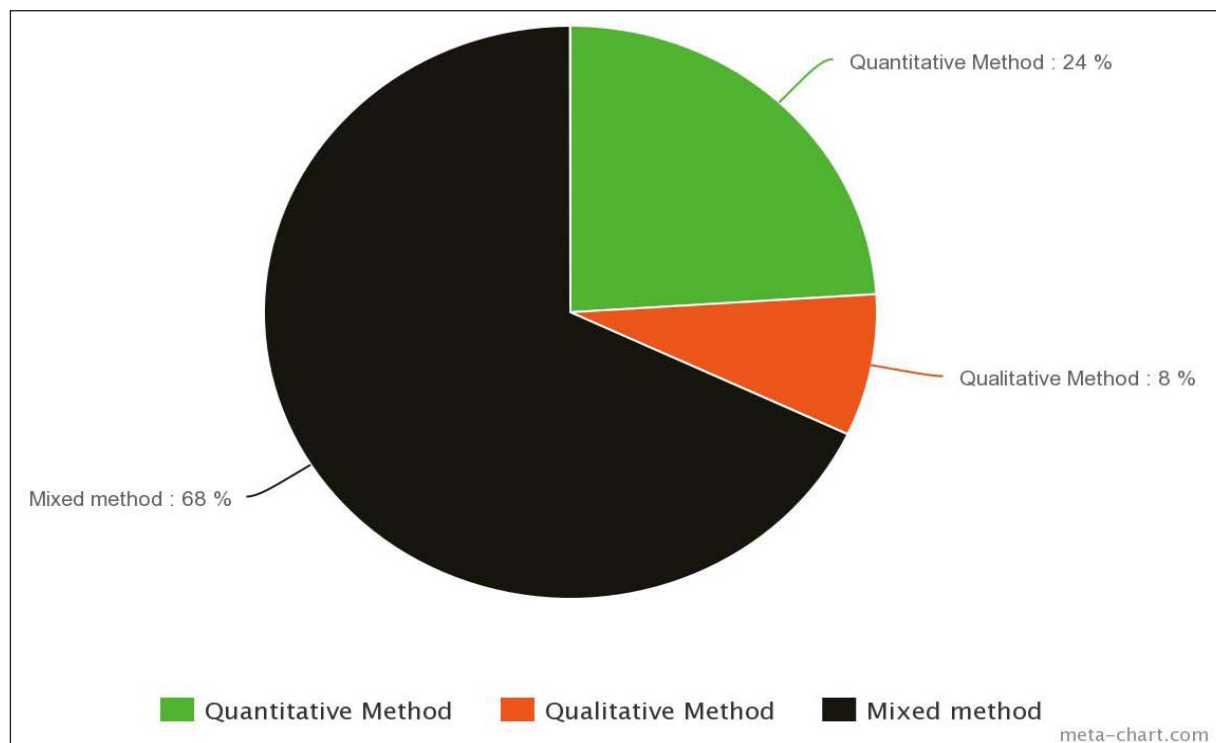
papers were empirical while 3.85 were empirical papers. As shown in Fig. 3, 68% of the empirical papers employed mixed method, 24% employed quantitative method while only 8% employed qualitative method.

From the review of literature, we found that surveys constitutes the largest number of empirical studies, followed by desk research, case study, in-depth interview, content analysis, exploratory narrative and conceptual. Theoretical reasoning suggests that, the nature of studies reviewed can easily be conducted through surveys than other designs in the list. However this does not mean that leadership and performance studies in SMEs cannot be conducted in other designs. In addition use of limited tools of data analysis ranging from qualitative software to statistical tools might have forced most studies to employ mixed methods for crosschecking of the findings among other reasons. For example of the studies which employed mixed method 84.5% were found to be triangulations, while the rest were sequential in its method's design.

Theoretical Perspectives

We found that, 83 (63.85%) of the retrieved articles were problem based. Essentially, problem based research

Fig. 3: Studies by Research Methods



Source: Authors

intends to solve a specific problem by using previous empirical findings or different theories. In this case, the said 83 articles used empirical findings to solve the problem. On the other hand we found that 47 articles used full range leadership model which basically included either all sub theories or some of them. 88% of the theoretical articles employed transformational leadership theoretical framework while transactional and passive avoidant leadership theory based articles were found to be 10% and 2% respectively.

Findings

The findings of this study, discussed in this section, are based on three research questions which are,

- i. What are the main leadership styles used by leaders in small and medium enterprises in East Africa?
- ii. What are the findings of existing studies on impacts of different leadership styles on business performance of SMEs in east Africa?
- iii. Does nature of industry and national culture affect the relation between leadership styles and business performance of SMEs in East Africa?

On the basis of retrieved publications for analysis we were able to identify three gaps in the existing literature. The analysis found uneven geographical distribution of literatures in the world in which East Africa has the lowest number of publications on the particular area. Furthermore, on the basis of the reviewed publications, some industries were not covered by any study where as numerous studies reported on the significant influence of the nature of industry in the particular studies. Moreover some gaps were found to relate with conceptual focus and methodological issues of the reviewed publications. According to the analysis of the publications, the dominant leadership styles employed by most CEOs of SMEs include transformational leadership styles, transactional leadership style, and passive avoidant leadership style which are well known to be under 'full range leadership model'.

Discussion

Based on the systematic literature review of 130 publications which qualified for analysis we confidently claim to have made a contribution in literature on impact of different leadership styles of CEOs of SMEs

in East Africa. Since the process is highly scientific we find ourselves safe to report several avenues for further studies in East Africa in relation to the research area under consideration. Although many studies are already done on this subject, their findings cannot be generalised into the wider context (Mohd Sam, Haiti Tahir & Abu Bakar, 2012). There is limited knowledge on leadership styles and its impact on organisational performance (Mohd Sam *et al.*, 2012). There is a need for more researches to be done in every country. Most of the previous studies suggested that future researches should focus on testing similar hypothesis in different contexts such as industry and culture. Others suggested a need for future studies to use more comprehensive performance scale while some called for improved data collection techniques. In addition there are studies which suggested on future studies possibility to find out if there would be a difference in findings if CEOs age and gender were taken into consideration. This section focus on geographical coverage of the publications, industry of the study and performance measures of the publications

To start with, geographical coverage of the publications; most previous studies suggested similar works to be done in different cultural and geographical contexts. It is risky to use findings of one country to solve problems of another country because of the contextual differences between the two countries. Research on 116000 employees of International Business Machines (IBM) in 40 countries in late 1970s with their work related values based on the Geert Hofstede's framework reported on the existence of cultural differences across countries in which each country in the sample showed different cultural indicators (Robbins, Judge & Sanghi, 2009). Another study was done in 2005 by Mockaitis in three countries, namely Estonia, Poland and Lithuania-which is closely related geographically and historically-found that, there was a significant difference in the attitudes of managers and employees toward various aspects of leadership (Mockaitis, 2005). The study found a significant differences in seven variables used in the proposed study, namely; supervision, view toward authority, commitment, decision type, initiative, preferred leader orientation, and leadership style (Mockaitis, 2005). These findings imply that leadership style may differ from country to country, even when such countries are from the same geographical region and share the same historical backgrounds. On the other hand, Rauch (2014), reviewing Lumpkin's (1996) work on leadership and culture, advances that leadership

problems are universal, thus if one study is done in one region it can apply to other regions. Previous studies on leadership and business performance of SMEs reported a big variation of findings, even when those studies used the same tool to test the same hypothesis in different countries. Systematic literature reviews conducted in the broad area of the proposed study revealed that, there are more studies from Asia, followed by Europe and USA while Africa has the lowest number of studies. It is important to note that out of 130 previous works reviewed, no study from Tanzania was found. In the light of this view, very little is known about leadership and business performance of SMEs in Tanzania. The proposed study intends to bridge this gap by finding out the extent to which various leadership styles-from the full range leadership model-are applied and determine their impact on the business performance of SMEs in Tanzania.

Furthermore; industry of study is another avenue for further studies; most of the previous studies reviewed focused on multi industry, SMEs while few were on specific industries. Mining and agriculture were not covered by any of the studies reviewed while hospitality and tourism industries were covered by very few studies. Previous studies acknowledged that not having a delimitation of the research industry was a limitation because type of industry can affect the findings (Kotey & Folker, 2007). For example Aziz *et al.* (2013b) focusing into the service industry suggested that future studies should focus into other industries such as manufacturing, constructions, agricultures and telecommunications. Review of literature on impact of leadership styles on business performance of SMEs did not find any study on agricultural industry. Agriculture is a very important sector in East Africa. Since 1960s to date, agriculture has remained the backbone of the economy (Mgeni & Bangi, 2014). Agricultural education and researches are crucial in countries which depend on agriculture because agricultural sector need innovations to make a difference in the economy (Greyman, 2009). The proposed study will research on impact of leadership style on business performance of SMEs, focusing on agribusiness industry. Agribusiness industry includes agricultural production and its supply chain. It includes farming and marketing of raw crops, agro-processing agro-manufacturing. Tanzanian SMEs in this category includes Farming implements suppliers, crop production, agro manufacturing, agro retailing and agro-export SMEs.

Moreover performance measures of the publications can also provide another avenue for future studies on impacts of different leadership styles of CEOs on East African SMEs. Existing literature acknowledges the fact that it is difficult to measure business performance due to its complexity (Ojokuku, Odetayo & Sajuyigbe, 2012). The complexity of business performance in SMEs has resulted into reductionism tendency in measuring business performance. Although most studies claim to have reliable findings due to the quality of tools used to analyze data, they often do not give reasons for using only few constructs for simplicity (Uchenwamgbe, 2013) Aziz *et al.* (2013b) argued that considering the business performance measure's reductionism practice by previous studies, there is a knowledge gap on which findings are likely to occur when a comprehensive measure is used. It is highly important for future studies to determine other measures of SMEs performance and integrate them in the leadership style model (Aziz *et al.*, 2013b). As an attempt to bridge the performance measurement gap the proposed study will adopt a comprehensive and multidimensional business performance scale developed by Wu (2009) in a doctoral study. No previous study was found to have used this or similar scale in, thus we are optimistic that the proposed study will bring interesting findings on the particular subject

Conclusion

This paper has been able to shed light on literature trend with regard to impact of different leadership styles of CEOs in East African SMEs. 130 relevant journal publications were identified. To recapitulate findings of the review, we noted that research on impact of leadership styles on business performance of SMEs is widely researched thus; there is a strong theoretical foundation. However East African literature on the topic is still nascent, thus very little is known about the relation between leadership styles of CEOs and business performance of SMEs. The analysis found uneven geographical distribution of publications. East Africa has the lowest number of publications on the particular area. Moreover some industries such as agribusiness and mining were not covered by any study where as numerous studies reported on the significant influence of the nature of industry in the particular studies. Moreover some gaps were found to relate with conceptual focus and Methodological issues of the reviewed publications. The analysis further found the dominant leadership styles

employed by most CEOs of SMEs to be transformational leadership styles, transactional leadership style and passive avoidant leadership style which are well known to be under 'full range leadership model'. Researchers are encouraged to bridge the gaps identified by this study as a way of complementing the contribution made to SMEs' leadership and performance literature.

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