

# Impacts of Entrepreneurial Leadership Style on Business Performance of Female owned SMEs in Dar es salaam, Tanzania

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## Abstract

This study attempts to determine the relationship between Entrepreneurial Leadership style and business performance of Small and Medium Enterprises (SMEs) owned or led by female CEOs in Dar es salaam, Tanzania. The research is based on secondary data from One World Action and Financial Sector Development Trust (FSDT) baseline survey databases, covering Kinondoni, Ilala and Temeke municipalities. Data cleaning was conducted using Roy (2010)'s seven step methodology and analyzed quantitatively using Pearson Product Moment Correlation and simple regression by SPSS. The findings show that there is a significantly strong positive correlation between Entrepreneurial Leadership style and business performance of SMEs in Dar es salaam, Tanzania.

**Keyword:** Entrepreneurial Leadership Style, Business Performance, Female Owned SMEs

## Introduction

Small and medium enterprises have increased significantly in the last two decades mounting up to over 3 million startups to date (FSDT, 2012). The FSDT National baseline survey conducted in 2012, found that the number of female SMEs owners were 6 times less than the male owners. In addition, the rate of female startup failures were two times higher than that of male

entrants. According to Zheltoukhova & Suckley, (2014), failure of SMEs in early stages of their life cycle and stagnancy indicates poor business performance associated with leadership factor. In a highly competitive business environment, survival of business is uncertain and it is even more stringent for small businesses as they are more vulnerable to failures, if they are less innovative and dynamic; For these reasons, success of business firms in 21st century require more leaders than managers (Bennis, 1989 and Luthans, 2008). The situation is even worse for women who are culturally marginalized and denied access to adequate capital, business and leadership skills and innovative encouragement opportunities.

Due to the ongoing political agenda of economic gender equity in Tanzania, many of the female-owned SMEs and start-ups have been emotional rather than being rational which resulted in the failure of most startups (Mfaume & Leonard, 2004). On this account most female SMEs founders and leaders are those who are semi-skilled in formal education system and are drop outs at primary and secondary school levels and few who are formally skilled, like those who are retired from various professions, and those seeking to get extra income (Dalberg, 2011 and Madatta, 2011). Even those who are skilled, do not have business management and organization leadership skills required to make their firms, 'perfuming organizations' and thus sustainable entities (FSDT, 2012, & Kazungu, et al., 2014). Previous studies conducted in Tanzania indicated that, female owners and CEOs of SMEs had the lowest education and Entrepreneurial leadership skills implying a hypothetical linkage between poor entrepreneurial

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leadership capabilities and poor performance of female owned SMEs in Tanzania.

In Tanzania, women play a vital role in the family welfare and social development. Thus, failure of female owned SMEs startups raise a serious concern to researchers, policy makers and the government of Tanzania, at large. On such accounts, this study thus, surveys the impacts of entrepreneurial leadership style on business performance of female owned SMEs in Tanzania. The study is expected to enlighten female SMEs founders and operators on the difference between managerial and entrepreneurial leadership styles both conceptually and its effectiveness in influencing business performance in SMEs. In addition this, the study is expected to stimulate the interest for leadership development by training more female business leaders, contrary to the existing practice of training male CEOs. In addition, the findings of this study will help to change the existing mindset of most owners of SMEs and CEOs of ignoring the role of business leadership in Tanzania, resulting from misleading assumptions that leaders are not as important as managers in the business success (Olomi, 2006). Moreover, Policy makers and practitioners in the SMEs sector are also expected to find this study useful in updating their policy status so as to create conducive environment for female entrepreneurs in Tanzania.

## Literature Review

### I. Organizational Leadership and Leadership Styles:

The concept of leadership in business and organizational performance in literature is not nascent. It is probably the most globally researched and written about topic (Luthans, (2008). However there is still considerable controversy in the conceptualization of leadership in terms of its definition, leadership styles, categorization and measures (Luthans, (2008). Definition of leadership has changed over years (Joseph, 1968). It may look surprising that as early as the 1920s, Cowley (1928) commented on the nature of leadership that is not a single trait but a combination of numerous traits and to understand what it means one must unveil all its constituents. At glance it looks like an appealing definition of leadership 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 of leadership than one stated in terms of performance and thus trait idea could not fit any study on leadership. He defined Leadership as something which influences performance and thus it must to be called leadership performance. A different approach of leadership conceptualization was brought in by Red (1942) where leadership was defined as relationships existing among people. According to him, different types of leadership behavior would involve different types of relationships.

Red (1942), defined Leadership as a concept when applied to the personality-environment scenario. He described it as an assessment of the situation where a personality is placed in the environment and accordingly his will, feeling, and insight, directs and controls others in the pursuit of a common cause. Most of these studies defines leadership interims of interaction approach because it involves the assumption that, for leadership to take placek there must be an influence of a leader over the followers and thus any leadership style depends on the particular interaction (Fleishman, 1961).

In recent years many theorists and researchers have been emphasizing about the difference between Management and Leadership. (Luthans, 2008). However, many studies still baffle between management and leadership (Robbins, Judge and Sanghi, 2009). In the 21<sup>st</sup> century, organizations need more leaders than managers because managers are conquers volatile, turbulent and ambiguous while the leaders surrender to it (Luthans, 2008). Leadership and leadership styles in 21<sup>st</sup> century deals with innovations, origination of policies and ideas, developments of strategies, human resource welfare and utilization for profit maximization, long range perspective decisions, rational and challenges the status quo. On the other hand Management is about administration, copying of policies and ideas, maintenance of existing organizational norms and conduct . More over management deals with short rangeyet focused goals (Bennis, 1989). In other words, business management is simply the method by which companies- big and small, are run and kept in check (Ndagu, & Obuobi, 2010). Looking at this comparison one cannot argue against the fact that effective leadership is the one which is pro-change, while management maintains the status quo which does not conform to the challenges faced by organizations in the 21<sup>st</sup> century.

Robbins, Judge and Sanghi, (2009), citing John Kotter of Harvard Business school by coincidence summarized what Bennis, (1989), regarded as the difference between management and leadership. According to him, good management brings about order and consistency by drawing up formal plans, designing rigid organization structures, and monitoring results against the plans. In contrast leadership is about coping with change.

From the existing literature, it is evident that defining leadership is still controversial among leadership researchers and a consensus view seems to be long way from realization. For the purpose of this study, the definition proposed by Robbins, Judge and Sanghi, (2009) is used. Leadership is thus, defined as the ability to influence a group towards the achievement of a vision or a set of goals (Robbins, Judge and Sanghi, 2009).

The best way to understand leadership in relation to its impact on organizational performance which many studies call “effective leadership” is, by looking at it in terms of leadership styles which can only be done through classical and modern theories of leadership (Luthans, 2008).

Based on theories of leadership, some studies such as Luthans, (2008) and Robbins, Judge & Sanghi, (2009), identified five main leadership styles as follows:

1. Trait theories; this does not represent any of the leadership styles used in literature (Luthans, 2008).
2. Hawthorne leadership studies and behavioral theoretical approach includes Supervisory leadership style, traditional and humanistic leadership styles related with McGregor’s theory X and theory Y respectively (Luthans 2008).
3. Ohio state studies and Michigan theoretical approaches; the former represents consideration or supportive leadership style and initiating structure or directive leadership styles, while the latter came up with the so called production oriented and employee oriented leadership styles. In addition, Michigan university leadership studies introduced participative leadership style thus slightly adding value to the pre-existing Ohio state’s contribution on the subject matter (Luthans, 2008 and Robbins, Judge & Sanghi, 2009),.
4. Contingency theory approach represents human oriented, democratic and task directed leadership

styles. It is based on the assumption that there is no blue print leadership style in all context; it all depends on the context at hand (Luthans, 2008)

5. Path-Goal conceptualization approach represents; directive, supportive, and participative and achievement oriented styles. It also includes charismatic and transformational leadership styles (Luthans, 2008 and Robbins, Judge & Sanghi, (2009),.

On the other hand Robbins, (2009), based on theoretical generations, classified leadership styles into classical and contemporary categories. The former constitutes all that Luthans, (2008) gave as leadership styles while the latter focuses in what he calls inspirational leadership approaches in which associates it with charismatic, transformational and authentic leadership styles.

Different studies have shown a consistent use of leadership styles such as transformational, transactional and passive avoidance leadership styles. (Yang, 2007, 2008; Aziz, Mahmood & Abdullah, 2013, and Aziz, Mahmood, Tajudin & Abdullah, 2013). However, some studies such as Van Zyl and Mathur-Helm, ( 2007); Hayat and Riaz, (2011) and Mohdsam, et al., (2012), summarized all the leadership styles into three categories namely managerial leadership style, entrepreneurial leadership style and mixed leadership style. Managerial leadership style includes transactional leadership and related styles while entrepreneurial leadership style includes transformational leadership and other leadership behaviors with entrepreneurial orientations. Likewise Mixed Leadership style is a combination of managerial and entrepreneurial leadership style (Van Zyl & Mathur-Helm, 2007, Hayat & Riaz, 2011 and Mohdsam, et al., 2012).

## II. 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 (Barney, 1997). Previous studies which focused on business performance seem to have failed to reconcile on the definition and conceptualization of the concept in question. The fact that Business performance is a multidimensional construct might have somehow contributed to the lack of unanimity in defining and conceptualizing business performance (Wiklund & Shepherd, 2005). For many

years, researchers on business performance have been preoccupied by discussions and debates on terminology, level of analysis and conceptual basis for assessment of performance (Ford and Schellenberg, 1982), as referred by Venkatraman, and Ramanujam, (1986). Previous studies suggest that a firm's performance suffer from two main problems identified as organizational performance and measurement dilemma. (Abu-Jarad, Yusof & Nikbin, 2010). Most of existing studies have widely used business performance and organizational performance concepts interchangeably suggesting that there is no conceptual differences between the two concepts (Yang, 2008; Aziz, Mahmood & Abdullah, 2013; Arshad, & Rasli, 2013 and Arief, Thoyb & Sudiro, 2013).

However, some studies consistently used the word 'organizational performance' throughout their study which made the researchers to have an in-depth inquiry of whether that suggested something different from business performance. For example, Venkatraman and, Ramanujam, (1986); Fairoz, Hirobumi and Tanaka, (2010) and Aziz, Abdullah, Tajudin and Mahmood, (2013) consistently used the term business performance without clear conceptualization, that otherwise, could have given an insight to the issue at hand. Likewise, Dess and Robinson, (1984), Abu-Jarad, Yusof & Nikbin, (2010), Obiwuru et al., (2013) used the term organizational performance consistently through their studies without in anyway bringing the use of the concept 'business performance'.

Out of all studies reviewed, only few defined performances concept regardless of the label they attached to it while majority were escapist under the claim that, there is no consensus view on the definition and conceptualization of performance (Wiklund & Shepherd, 2005). Airing out their position on this issue Dess and Robinson, (1984) argued that, organizational performance is a complex and multidimensional phenomenon, thus conceptualizing and operationalizing such phenomenon is difficult. Some only used performance-concept without clearly putting in black and white how performance-concept is used in their studies. Of the few who tried to define the concept, there was still no convergence on what should be considered as performance in SMEs. For example according to Javier, (2002) and Abu-Jarad, Yusof & Nikbin, (2010) considers performance to be equated to the famous 3Es (economy, efficiency, and effectiveness) of a certain program or activity. On the other hand, Daft (2000),

defined organizational performance as the organization's ability to attain its goals by using resources in an efficient and effective manner.

According to Dess and Robinson, (1984), any research which incorporates organizational performance must address two basic issues of which in the absence it will not be possible to achieve clarity in the findings. According to him the first issue is selection of the conceptual framework from which the concept of organizational performance is defined. Secondly is the issue of identification of accurate available measures which operationalize organizational performance. While the earlier is addressed in this part, the latter is addressed in next subsection which deeply deals with measurements.

At the middle of the performance-conceptualization paradox, thorough analysis of previous studies, irrespective of the label they attached to firm performance, interesting findings were made about silent conceptualization of performance by previous researchers. Looking at how concepts were measured in both studies, it was found that business performance and organizational performance used approximately the same measurements implying that concept nomenclature made no significant difference when it comes to application. For example while

Studies like, Venkatraman and Ramanujam, (1986); Fairoz, Hirobumi and Tanaka, (2010) and Aziz, Abdullah, Tajudin and Mahmood, (2013) used financial indicators like, profitability, return on investment, return on assets and non-financial indicators like satisfaction, firm overall performance, labor turnover and so on to measure business performance. Likewise studies which used organizational performance to label firm-performance such as Dess and Robinson, (1984); Abu-Jarad, Yusof and Nikbin, (2010) and Obiwuru et al., (2013) used similar measurements to capture firm-performance. Based on the conceptualization evidence from previous studies this study thus finds secured to use business performance and organizational performance interchangeably because they all mean the same thing.

However most of the existing literatures on organizational performance seem to have failed to capture all or many dimensions of organizational performance required despite sound methodological; tools and models used. It might be due to overconfidence in the methodological and models used there by ignoring the importance of conceptualization of organizational performance. Likewise it may be due to

complexity and multidimensional nature of organizational performance or even nature of studies used due to the fact that organizational performance means different things depending on the branch of management discipline one is dealing with (Wiklund & Shepherd, 2005). Despite the reason behind the issue, the fact remains that, most researchers have fallen into a reduction trap of organizational performance measurement for simplicity and overemphasize in the research tools under the expense of the subject matter (Ricardo, 2001). Likewise many studies stacked in the economic tradition, over emphasizing the importance of external market factors in determining organizational performance, whereas others have built on the behavioral and sociological paradigm. Such studies have reduced organizational performance to organizational factors and their 'fit' within the environment as the main success determining factors (Hansen & Wernerfelt, 1989).

Based on the existing literature on business performance, this study regards business performance of SMEs to be complex and multidimensional, thus it is skeptical of any reductionism syndrome portrayed by existing literature. In the light of this view this study took a convergent point of various dimensions of organizational performance suggested in the literature.

### III. Small and Medium Enterprises

There is no universally accepted definition of SMEs. However there are various universally accepted criteria used to define SMEs worldwide (URT, 2003). Of all criteria size of the firm is widely used to define SMEs. However different countries use various measure of size depending on their level of development. In Tanzania, for example the term SMEs is used to mean micro, small and medium enterprises sometimes is termed as micro small and medium enterprises (MSMEs). It is therefore, common to see the two terms used interchangeably in various Tanzanian studies on SMEs (URT, 2003). The commonly used yardsticks include total number of employees, total investment and sales turnover. As *Table I* indicates-in Tanzania's context-micro enterprises are the one with one to four employees, small enterprises are the one with five 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 used Tanzania's definition of

SMEs because the study is taken from Tanzanian point of view of SMEs. 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 in terms of number of employee's criteria, then the level of investment will be 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: Adopted from URT, 2003*

### IV. Entrepreneurial Leadership and Performance

Existing literature suggests variation of findings regarding the relation between entrepreneurial leadership and business performance of SMEs. Some studies which conducted research on the impacts of entrepreneurial orientation on business performance have reported the existence of positive relationship between entrepreneurial orientation and business performance of SMEs (Yang, 2007, 2008; Arham, et al., 2012 and Aziz, 2013a). Along the same line others have found a weak relationship between entrepreneurial orientation and business performance of SMEs while others found it to have played a mediating role on the relation between leadership styles and business performance of SMEs (Arshad & Rasli, 2013 and Aziz, et al., 2013b). However studies which combined entrepreneurial orientation with leadership attributes and used its construct to measure entrepreneurial leadership style have found a positive relationship between entrepreneurial leadership and business performance of SMEs (Van Zyl & Mathur-Helm, 2007; Chandrakumara, et al., 2009; Hayat & Riaz, 2011; Mohdsam, et al., 2012 and Pieper, 2014). Henceforth, this study aims at testing the relation between entrepreneurial leadership style and business performance of SMEs in Tanzanian context which previous studies have not been able to cover. This study is thus expected to bring a significant contribution among researchers of leadership and entrepreneurship on how the combination of the two behaviors can influence

business performance of SMEs in Tanzania.

## Research Hypotheses

Based on the existing literature on impacts of entrepreneurial leadership style on SMEs and the objectives of the study discussed in the previous subsection, this study tested the following hypotheses:

- i. There is a positive relationship between entrepreneurial leadership and business performance of female owned SMEs in Dar es salaam, Tanzania
- ii. Entrepreneurial leadership style is a significant and strong predictor of business performance of female owned SMEs in, Dar es salaam, Tanzania.

## Conceptual Framework

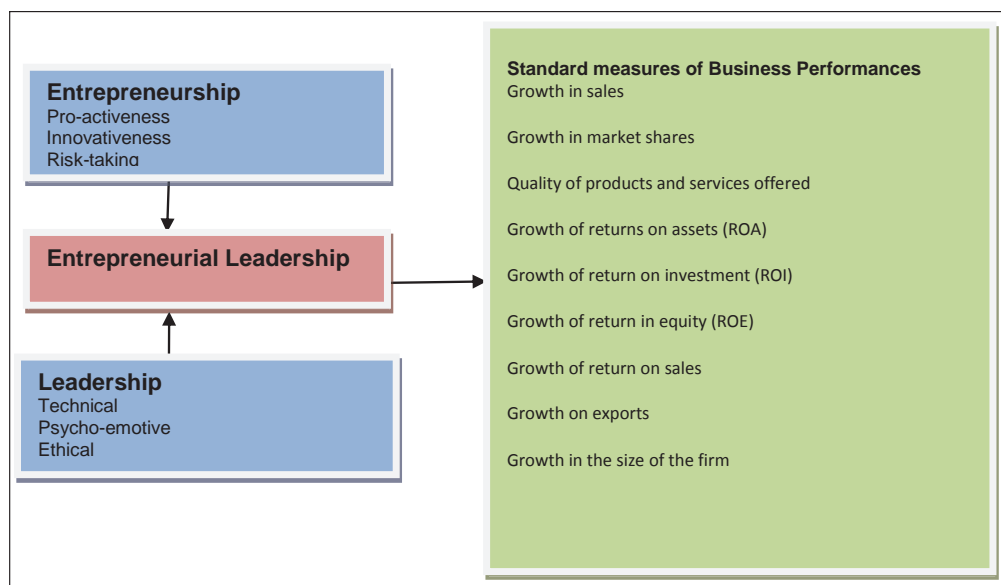
This study used a conceptual framework adapted from Van Zyl and Mathur-Helm, (2007). In this model entrepreneurial leadership is considered to be the combination between entrepreneurial orientation and leadership attributes indicated in figure 1

## Research Methodology

This paper used quantitative desk survey research

methodology in which data were collected from various archival databases such as One World Action Entrepreneurial Baseline Survey and Tanzanian National Baseline Surveys databases. This design was found appropriate because it is economical and saves time. When there is enough secondary data in various archival sources, expert desk researchers can quickly and inexpensively dig out data from a wide variety of sources to answer many of the questions that have already been asked (Wilcock, 2014). The data has been cleaned by Roy, (2010)'s seven-step methodology which was conducted in two main phases. The first phase was theory and case study, which was conducted in four consecutive sub-steps, namely review of literature on entrepreneurial leadership and business performance of SMEs, understanding the characteristics of the databases used in the study, theory and hypotheses building by comparing literature review and characteristics of survey databases and finally qualitative case study in which a questionnaire used in the original survey was sent by mail to one equivalent respondent where all constructs and items were supported. The second phase included factor analysis by SPSS statistical software. The purified data was further quantitatively analyzed by product moment correlation and simple regression by SPSS 16.0. Pearson Product Moment Correlation was used to determine the magnitude and direction of the relationship between

**Figure 1: A conceptual Framework on the Link Between Entrepreneurial Leadership and Business Performance of SMEs**



Source: Adapted from Van Zyl & Mathur-Helm, (2007)

entrepreneurial leadership style and business performance while simple regression was used to test how leadership style explains changes in business performance of SMEs. This study intends to use secondary data from various sources on entrepreneurial orientation and business performance using desk research design. This is found to be convenient regarding the nature of the study as well as resource limitations. However, future studies are encouraged to try using primary sources of data.

**I. Measures:**

**1. Entrepreneurial leadership**

Entrepreneurial leadership is defined by this study, as the combination of leadership and entrepreneurial characteristics (Van Zyl & Mathur-Helm, 2007). Entrepreneurial leadership is moderately researched in the leadership and organizational performance literature. As shown in *Figure 1*, entrepreneurial leadership has two dimensions namely entrepreneurship and leadership (Van Zyl & Mathur-Helm, 2007). However, Entrepreneurial leadership known in many entrepreneurship literatures as entrepreneurial orientation, which has been widely researched and measured by three attributes namely pro-activeness, innovation and risk taking (Kraus, et al 2005; Van Zyl & Mathur-Helm, 2007 and Srinivasa Rao, 2012). On the other hand, leadership is measured by three attributes namely technical, psycho-emotive and ethics (Van Zyl & Mathur-Helm, 2007). Technical behavior is about technical abilities which the leader possesses including his/her knowledge and his/her ‘know-how’ that may explain his/her capacity to influence. The ethical behavior of leadership is measured by observing the frequencies or even readiness of the leaders to make right decisions and actions combined with good intentions, and accompanied by moral correctness of behavior.

Likewise psycho-emotive measures the attraction of the leader psychological traits of his/her character, on his/her social skills and on his/her ability to create an appealing atmosphere (Guile’n & Gonza’lez, 2002) Although researchers like Mousavi, et al., 2012) proposed a different measure of entrepreneurial leadership by using what he calls a comprehensive package of Entrepreneurial leadership measurement. It is still unpopular and thus, its validity and reliability is yet to be tested in the wider context. On such account, this study used VanZyl and Mathur-Helm, (2007)’s adopted version of entrepreneurial leadership style.

**2. Business performance:**

Previous studies indicate the presence of standard scale of business performance of organizations although there is still a long debate on how performance of SMEs can be measured due to lack of archival performance records and reluctance of the business leaders and managers to give such information to researchers (Yang, 2007, 2008). On such accounts, this study used business performance measures used by SMEs self-measurements in Tanzania because it is expected to be accessible in achievable data bases. Several surveys, have reported on the difficulty to get data in the standard measures widely used in other parts of the world such as Profitability; Gross profit Return on asset (ROA), Return on investment (ROI), Return on equity (ROE), Revenue growth, Market share and Stock price for financial business performance of SMEs (FSDT, 2012). Non-financial measures are also included in the standard measure of non-business performance of SMEs which is said to include; Achieving start up goals overall performance, Provide secure job to employees and Satisfaction with company’s performance (Tat Keh, Mai Nguyen, & Ping Ng, 2007). Databases for financial

**Table 1: Correlation Between Entrepreneurial Leadership Style and Business Performance of SMEs in Tanzania**

		Performance	Entrepreneurial Leadership Style
Performance	Pearson Correlation	1	.867**
	Sig. (2-tailed)		.000
	N	130	130
Entrepreneurial Leadership style	Pearson Correlation	.767**	1
	Sig. (2-tailed)	.000	
	N	130	130

\*\* Correlation is significant at the 0.01 level (2-tailed).

**Table 2: Regression Equation**

Coefficients <sup>a</sup>							
Model	B	Unstandardized Coefficients			95% Confidence Interval for B		
		Std. Error	Sig.	Lower Bound	Upper Bound		
1	(Constant)	38.027	4.203	9.048E0		.000	29.748
	entrepreneurial leadership style	.478	.058	.467	.000	.365	5.914E-1

a. Dependent Variable: performance

archival data are not certain because in Tanzania SMEs are not legally supposed to keep financial records. Most SMEs which conduct self-business performance for monitoring control use their own measures which most studies on the particular area-as shown in **Figure 1**-have summarized them to be, Turnover, Profitability, Cost of sales, Number of customers, Prices of products/services, Cost of inputs, Number of employees, Stock used, Equipment used and Loss (Minister of Industry and Trade, 2012).

## Findings and Discussion

This part presents the data analysis procedures, findings and associated discussions. The findings are presented hypothesis wise.

H1: There is a positive relationship between entrepreneurial leadership and business performance of SMEs in Tanzania

Pearson Product Moment Correlation and Regression analysis assume normality of the data used, in support of these assumptions; a normality test was conducted using SPSS statistical software and the output supported the assumption. The data, which has gone through a scientific process of purification were analyzed quantitatively using Pearson product moment correlation to test the first hypothesis. **Table 2** presents the findings of the two tailed Pearson product moment correlation test conducted by SPSS for testing the first hypothesis. The findings show that there is a strong positive correlation between Entrepreneurial leadership styles and business performance of SMEs in Tanzania. The person correlation coefficient is 0.8 thus closer to 1 which is a perfect positive correlation. Correlation between Entrepreneurial leadership style and Business performance of SMEs in Tanzania is significant at 0.01 significant levels (2 tails) as shown in Table 1.

Furthermore, the Pearson Product Moment Correlation shows that there is a significant correlation between

Entrepreneurial Leadership style and Business Performance of SMEs owned or led by female CEOs. These findings thus imply that the hypothesis is supported and that there is a significant strong positive correlation between entrepreneurial leadership style and Business Performance of SMEs owned or led by female CEOs in Dar es salaam, Tanzania.

H2: Entrepreneurial leadership style is a significant and strong predictor of business performance of SMEs in Tanzania.

Simple regression analysis by SPSS was conducted to test the third hypothesis aimed at finding whether leadership style is a good predictor of Business Performance of SMEs in Tanzania.

The regression equation used to test the second hypothesis from the regression output in table 2 can be summarized as:

$$BP = 38.027 + 0.478(ELs)$$

Where: i. BP is Business Performance

ii. ELs is Entrepreneurial Leadership style

Coefficient table, further shows that, at 95% level of confidence, **p** value of the regression model is 0.000, which is potentially less than 0.05 and thus significant; this implies that, there is a big possibility that the population slope is significantly different from zero therefore the regression model is capable to predict variations of dependent variable.

**Table 3: Coefficient of Determination (R<sup>2</sup>)**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.467 <sup>a</sup>	.218	.215	11.77172

a. Predictors: (Constant), entrepreneurial leadership style

b. Dependent Variable: performance

Determination for the regression model was found to be 0.22 (as shown in **Table 3**) implying that Entrepreneurial Leadership style can predict 22% of the variations in business performance of SMEs owned by women in Dar es salaam, Tanzania. Coefficient of determination suggests that, Entrepreneurial Leadership style is a weak predictor of Business Performance variations in SMEs owned or led by female CEOs in Dar es salaam, Tanzania. However, it does not give us any picture as to whether it is still a significant and thus useful predictor of business performance unless we include ANOVA regression output.

**Table 4: Significance of the Predictor**

ANOVA <sup>b</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9561.210	1	9561.210	68.997	.000 <sup>a</sup>
	Residual	34227.610	247	138.573		
	Total	43788.819	248			

a. Predictors: (Constant), entrepreneurial leadership style

b. Dependent Variable: performance

Since the **p** value of the regression model is found to be 0.000, which is basically smaller than 0.05 at there is no enough evidence to conclude that entrepreneurial leadership style is not a significant predictor of business performance of SMEs owned or led by female CEOs in Dar es salaam, Tanzania. At, 0.05 level of significance, we conclude that entrepreneurial leadership style is a significant predictor of business performance variations in SMEs owned or led by female CEOs.

## Conclusion

The findings of this study showed that, there is a strong positive correlation between entrepreneurial leadership style and business performance of SMEs owned or led by female CEOs in Dar es salaam, Tanzania. Furthermore, from the findings show that there is a significant correlation between entrepreneurial leadership style and Business Performance of SMEs owned or led by female CEOs, in Dar es salaam, Tanzania. Moreover, Entrepreneurial Leadership style is found to be a slightly weak predictor of business performance variations in SMEs owned or led by female CEOs. However Entrepreneurial Leadership style is still a significant predictor of business performance

thus its role should not be undermined. Policy makers should use these findings to promote Entrepreneurial Leadership style among female CEOs and SMEs owners because these results suggest that there is a big possibility that the current poor performance of SMEs owned or led by females in Dar es salaam, Tanzania may be associated with lack of Entrepreneurial Leadership skills. However the findings of this study should not be generalized beyond the context under which the study was conducted. Furthermore, we call for future studies to conduct similar studies in various specific industries such as service, food processing, and retail and handcraft which constitute large number of female owners and CEOs. Future studies should also try to conduct a countrywide field survey and see what the findings we look like.

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