

**IMPACT OF STRATEGIC LEADERSHIP ON THE PERFORMANCE OF
MANUFACTURING FIRMS IN TANZANIA: A CASE OF KILIMANJARO
INTERNATIONAL LEATHER INDUSTRY**

BY

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A Dissertation Submitted in Partial Fulfilment of the Requirements for the Degree
of Masters of Business Administration in Leadership and Governance of the
Institute of Accountancy Arusha.

October, 2022

CERTIFICATION

I, the undersigned, certify that I have read and hereby recommend for acceptance by the Institute of Accountancy Arusha the dissertation entitled: **"Impact of Strategic Leadership on the Performance of Manufacturing Firms in Tanzania: A Case of Kilimanjaro International Leather Industry"** in fulfilment of the requirements for the degree of Masters of Business Administration in Leadership and Governance offered at the Institute of Accountancy Arusha.

.....

(Supervisor Signature)

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(Supervisor Name)

Date

DECLARATION

I, **Augustine Camilius Assey**, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any university for a similar or any other degree award.

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DEDICATION

This project is dedicated to my lovely wife, Noreen Augustine and my children Angel and Asten for their unwavering support.

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This study would not have been possible without the help and encouragement of many people, to whom I am eternally grateful. First and foremost, I want to express my thankfulness to the Almighty God for allowing me to pursue and complete my studies via His tremendous grace. I give Him praise and appreciation. Mr. Richard Sikira, my supervisor, deserves special gratitude for moulding my effort into a meaningful shape, as well as for his regular and insightful assessments, direction, and encouragement. This would not have been possible without his patience and understanding. I am also grateful to Mr. Shaame Ally Hamad, Fr. John Assey and Juma Kizigha for their unwavering support and understanding; thank you for shaping me into the person I am. My gratitude goes to my wife and children for their moral support, as well as my sister and brothers for their encouragement and support.

To all I say, God bless you.

LIST OF ABBREVIATIONS AND ACRONYMS

AMOS	Analysis of Moment Structures
CEO	Chief executive officer
CFA	Confirmatory Factor Analysis
PLS	Partial Least Squares
RBV	Resource Base View Theory
REPOA	Research on Poverty Alleviation
SEM	Structural Equation Modelling
SME	Small and Medium-Sized Enterprises
SPSS	Statistical Package for the Social Sciences
URT	United Republic of Tanzania
US	United States

ABSTRACT

The study sought to examine the impact of strategic leadership on the performance of manufacturing firms in Tanzania: A case of Kilimanjaro International Leather Industry. Specific objectives of this study were: to assess the impact of human capital development on the performance of manufacturing firms in Tanzania, to determine the impact of strategic direction on the performance of manufacturing firms in Tanzania and to evaluate the impact of culture and value on the performance of manufacturing firms in Tanzania. This research was carried out with the use of a descriptive study design. The population of this study included 260 employees of Kilimanjaro International Leather Industry, Tanzania. This study employed simple random sampling to select respondents. Primary and secondary data was collected in this study. Quantitative data was analysed quantitatively using descriptive and inferential statistics provided by Statistical Package for the Social Sciences. Findings of this study unveiled that the human capital development has a positive and significant relationship with firm performance. The findings of this study also portrayed that strategic direction has a positive and significant relationship with firm performance. The findings of this study further found that culture and value have a positive and significant relationship with firm performance. This study recommends that, since the research only looked at three areas of strategic leadership: human capital development, strategic direction, and culture and values. Other variables of strategic leadership not included in this study, such as strategic thinking, strategic learning, and strategic action, can be relied on by future researchers.

Keywords: Strategic Leadership, Human Capital Development, Strategic Direction

TABLE OF CONTENTS

CERTIFICATION	i
DECLARATION	ii
COPYRIGHT © 2022	iii
DEDICATION	iv
ACKNOWLEDGEMENT	v
LIST OF ABBREVIATIONS AND ACRONYMS	vi
ABSTRACT	vii
TABLE OF CONTENTS	viii
LIST OF FIGURES	xii
LIST OF TABLES	xiii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Introduction.....	1
1.2 Background to the Study	1
1.3 Statement of the Problem.....	5
1.4 Research Objectives	6
1.4.1 General Objective.....	6
1.4.2 Specific Objectives	6
1.5 Research Questions.....	6
1.6 Scope of the Study.....	7
1.7 Limitation of the Study	7
1.8 Significance of the Study	7
1.9 Organization of the Study.....	8
CHAPTER TWO	9

LITERATURE REVIEW.....	9
2.1 Introduction.....	9
2.2 Operational Definitions	9
2.2.1 Strategic leadership.....	9
2.2.2 Human Capital Development.....	10
2.2.3 Strategic Direction	10
2.2.4 Culture and Values.....	11
2.2.5 Firm Performance.....	11
2.3 Theoretical Literature Review.....	12
2.3.1 Resource Base View Theory	12
2.3.2 Charismatic Leadership Theory.....	13
2.3.3 Contingency Theory	14
2.4 Empirical Literature Review.....	16
2.4.1 Human Capital Development.....	16
2.4.2 Strategic Direction	17
2.4.3 Culture and Value.....	19
2.5 Research Gap	22
2.6 Conceptual Framework	23
CHAPTER THREE	24
RESEARCH METHODOLOGY	24
3.1 Introduction.....	24
3.2 Research Design.....	24
3.3 Area of the Study.....	24
3.4 Research Approach.....	25
3.5 Sampling Design	25
3.5.1 Population	25
3.5.2 Sampling Procedures	26
3.5.3 Sample Size	26
3.6 Data Collection Methods	27
3.7 Pilot Study	28
3.8 Data Analysis	28
3.9 Validity and Reliability of the Instrument.....	29
3.9.1 Reliability of the Instrument	29

3.9.2 Validity of the Instrument.....	30
3.10 Ethical Considerations.....	31
CHAPTER FOUR	32
FINDINGS AND DISCUSSION.....	32
4.1 Introduction.....	32
4.2 Response Rate.....	32
4.3 Personal Information	32
4.4 Presentation of Findings.....	34
4.4.1 Human Capital Development.....	34
4.4.1.1 Relationship between Human Capital Development and Firm Performance	36
4.4.2 Strategic Direction	37
4.4.2.1 Relationship between Strategic Direction and Firm Performance.....	38
4.4.3 Culture and Value.....	39
4.4.2.1 Relationship between Culture and Value and Firm Performance	41
4.5 Regression Analysis.....	42
4.6 Normality	44
4.7 Discussion of Findings	45
4.7.1 Human Capital Development.....	45
4.7.2 Strategic Direction	46
4.7.3 Culture and Value.....	48
CHAPTER FIVE	51
CONCLUSIONS AND RECOMMENDATIONS	51
5.1 Introduction.....	51
5.2 Summary of the Findings	51
5.2.1 Human Capital Development.....	51
5.2.2 Strategic Direction	52
5.2.3 Culture and Value.....	52
5.3 Conclusions.....	53
5.4 Policy Implication.....	54
5.5 Recommendations	54
5.6 Area for Further Studies	55
REFERENCE	57

APPENDICES	64
Appendix I: Letter for Research Questionnaire.....	64
Appendix II: Research Questionnaire	65
Appendix III: Data Collection Letter from IAA	69
Appendix IV: Timetable of Activities	70
Appendix V: Research Budget	71

LIST OF FIGURES

Figure 2.1: Conceptual Framework.....	23
Figure 4.1: Normality	44

LIST OF TABLES

Table 3.1: Targeted Population with Respective Sample Size.....	27
Table 3.2: Reliability Statistics	29
Table 3.3: KMO and Bartlett's Test.....	30
Table 4.1: Demographic Information.....	33
Table 4.2: Human Capital Development	35
Table 4.3: Correlations between Human Capital Development and Firm Performance	36
Table 4.4: Strategic Direction	37
Table 4.5: Correlations between Strategic Direction and Firm Performance	39
Table 4.6: Culture and Value	40
Table 4.7: Correlations between Culture and Value and Firm Performance	42
Table 4.8: Regression Output.....	43

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter highlights the main reasons for the study. It also gives the background to the research problems, statement of the problem, research objectives, research questions, and significance of the study. In addition to that, the chapter covers the Scope of the study as well as the organisation of the study.

1.2 Background to the Study

Leadership is a critical driving factor in any company (Maksum 2020) since it contributes to its success. The area of leadership studies has a tendency to focus on the characteristics of single leaders rather than the collective leadership of an organisation. However, a variety of modern-day paradigms, such as strategic leadership, transformational leadership, genuine leadership, and servant leadership, have resulted in the creation of leadership abilities. According to Sudargini (2020), these models illustrate the extent to which leaders may influence their followers through various successful leadership principles.

Strategic leadership, according to Dam and Dam (2021), refers to a company's capacity to plan ahead, envisage the future, and stay flexible while allowing other employees to contribute to the company's long-term success. Organisations with strategic leaders often follow predefined strategies and processes for day-to-day operations. Strategic leaders are strong because, as stated by Pramono (2020), they establish the goals and strategies for their organisations, as

well as build their structures, implement their procedures, and monitor their controls. Furthermore, strategic leadership manages, selects key officials, mentors junior employees, and upholds accepted ethical standards and successful business culture. According to Otwori and Muturi (2018), a well-organised team of strategic leaders in an organisation can handle uncertainties, problems, and information overloads that need compliance and timeliness. Strategic leaders make well-thought-out decisions and communicate them to all elements of their business in order to build a better future (Otwori and Muturi 2018).

Strategic leaders engage in five primary practices: Determining the business's strategic purpose and goal, Effectively managing the firm's resources, Fostering an effective culture in the organisation, Underlining all activities with ethical concerns, and striking a balance between strategic and financial controls. These practices are described more below. Strategic leadership entails developing the firm's long-term purpose and vision. The mission and vision of an organisation align with the efforts of all employees (Muhammad 2017). A good vision is alive, and everyone in the company understands and acts on it. It is also full of ambition and enthusiasm, which is why employees are always discussing their company's mission and vision. Firms, on the other hand, fall into a trap when their leaders are concentrated on their vision and neglect developing market potential (Onkoba 2017).

Strategic leadership leads to increased performance by transforming the business and its operations to optimise long-term development and survival while also ensuring short-term financial health (Narmaditya, 2020). Strategic leaders prioritise the development of the firm's resources and capabilities in order to attain market competitiveness. Strategic leaders understand that focusing on current events while disregarding major issues caused by the

unstable environment would lead to organisational disaster (Fauzan, 2021). This results in a strong balance between short-term success and long-term sustainability. Strategic leaders see human capital as a critical component of innovation and creativity, and they work hard to keep this workforce healthy (Supratman, 2021). This is accomplished through sustaining as well as seeking out new resources and inventions that may be used to generate riches.

Globally, Strategic leadership has been widely identified as one of the main contributors to effective strategy implementation, which has a critical part in leading and upscaling the tone, speed, and style of strategy implementation. Effective strategic leadership activities aid organisations in effectively using strategic management processes, which conclude in competitiveness and high returns (Pramono 2020). In America and Europe, effective strategic leadership in organisations is manifested in the direct actions, decisions and behaviours of their strategic leaders (Pearce and Robinson 2019).

In Africa, Aden et al. (2019) agree that the South African firms' long-term viability is guaranteed by the decisions that strategic leaders make for the firm, and the absence of good strategic leadership is a major barrier to firm progress. Strategic leaders employ strategies that best give the firm a competitive edge against the rest of the industry (Adair, 2010). In Nigeria, Munawaroh et al. (2021) observe that the strategy of a firm is the action plan of its management for running the firm, and the strategic leader's principal responsibility is to ensure that the firm achieves its goals by identifying the best strategies and following them to an anticipated outcome.

In East Africa, Nthini (2019) indicated that effective strategic leadership affects organisational performance in Kenyan organisations. In Uganda, Otwori and Muturi (2018) asserted that

strategic leadership influence the performance of companies, so managers should pay special attention to antecedents of leadership and all the factors which foster employee commitment so as to increase employee performance and subsequently increase organisational productivity:

Tanzania is the second most populous country in Africa after Ethiopia in terms of livestock population, with 27.4 million cattle, 18.4 million goats, and 7.8 million sheep (FAO, 2020). Livestock operations make for 7.6 percent of the country's GDP, and around 1.7 million households rely on it for survival (Ministry of Livestock and Fisheries, 2019; International Trade Centre, 2018). Tanzania is Sub-Saharan Africa's 11th largest exporter of hides and skins, with Asian markets being her main export destination. In 2018, China (including Hong Kong), Pakistan, and India accounted for 26% of total leather exports. Tanzania's government has created and altered different laws, regulations, and plans to lead the achievement of the industry's potential. Despite the government efforts and the acknowledged available potential of the leather value chain, Tanzanian manufacturing firms' performance is questionable (REPOA, 2020). In all competitiveness parameters except availability and access to raw materials, the country is less competitive than other global leather heavyweights, such as Italy and Vietnam. Against this backdrop, the current study tries to examine the problem of leather industry performance from the standpoint of strategic leadership. Therefore, this study seeks to examine the impact of strategic leadership on the performance of the Kilimanjaro International Leather Industry. This study has embarked on human capital development, strategic direction communication and strategic direction in order to find out how they particularly affect performance in of Kilimanjaro International Leather Industry.

1.3 Statement of the Problem

Despite the importance of leather manufacturing firms in Tanzania's economic growth and development, numerous firms in the industry continue to confront strategic leadership problems (Kamikaze, 2017). Poor leadership and specifically, strategic leadership at the top level of management has been identified as one of the major barriers to the performance of leather manufacturing firms in Tanzania. Also, according to Salvina (2019), poor strategic leadership practices are also viewed as a key driver of poor performance. A lot of efforts have been employed by the Tanzanian government to make sure that leather manufacturing firms have effective and efficient decisions and strategic leadership for the sake of the growth of the industry in the country. These efforts include emphasising compliance with roles of leadership and allocation of funds to support the industry. For instance, in 2020, Tanzania's President John Magufuli offered 136 billion Tanzanian shillings (about 59 million U.S. dollars) to support the leather factory (The Citizen 2020). Despite employing these efforts, still, strategic leadership problems exist in leather manufacturing firms in Tanzania. Tanzanian leather manufacturing companies have a tiny market share. Tanzania produced extremely little semi-processed and finished leather, 23.7 million square feet, significantly less than Kenya's 89.5 million and Egypt's 83.7 million (URT 2020).

Furthermore, most research on strategic leadership and firm performance has used a variety of operationalisations of strategic leadership (Serfontein, 2019). In other nations, studies were largely undertaken in different sectors, such as banking (Hanieva, 2019), food (Latifah, 2021), and services (Wiraatmaja, 2021). Similarly, previous research has linked strategic leadership to other factors like efficiency, customer satisfaction, and organisational growth, but little research has been done on firm performance. The methods employed in the studies differed in terms of

sampling and study approaches. As a result, in spite of significant theoretical and empirical attention, strategic leadership's influence on leather manufacturing firms in Tanzania is still an unknown area. Therefore, this study sought to examine the impact of strategic leadership on the performance of the Kilimanjaro International Leather Industry.

1.4 Research Objectives

1.4.1 General Objective

The study sought to examine the impact of strategic leadership on the performance of manufacturing firms in Tanzania: A case of Kilimanjaro International Leather Industry.

1.4.2 Specific Objectives

- i. To assess the impact of human capital development on the performance of manufacturing firms in Tanzania.
- ii. To determine the impact of strategic direction on the performance of manufacturing firms in Tanzania.
- iii. To evaluate the impact of culture and value on the performance of manufacturing firms in Tanzania.

1.5 Research Questions

- i. What is the impact of human capital development on the performance of manufacturing firms in Tanzania?
- ii. What is the impact of strategic direction on the performance of manufacturing firms in Tanzania?

- iii. What is the impact of culture and value on the performance of manufacturing firms in Tanzania?

1.6 Scope of the Study

The study was restricted to the employees of Kilimanjaro International Leather Industry specifically to examine the impact of strategic leadership on the performance of manufacturing firms in Tanzania. These employees were questioned for the purpose of getting relevant, useful information. The study was based mostly on primary data collection since they provide a more realistic conclusion to meet the objectives of the study.

1.7 Limitation of the Study

The researcher is foreseeing a limitation on time for face-to-face meetings to clarify any confusion with the questionnaires provided to the participants. However, the researcher overcame this restriction by offering a cover letter to ensure that participants are handled with the utmost confidentiality and that their information is used for study purposes only.

1.8 Significance of the Study

Policymakers, including regulators and the government, will benefit from this study in determining whether there is any improved performance of manufacturing enterprises in Tanzania that can be explicitly attributed to strategic leadership. Also, the findings of this study will assist them in developing policies to strengthen and create an environment in Tanzania where manufacturing enterprises may thrive. This research will help the management and leadership of Kilimanjaro International Leather Industry understand the importance of strategic

leadership in the firm's success. This will help managers identify areas that need to be improved and turn strategic leadership into a performance tool. This research is being conducted primarily to fulfil the requirements for the award of the Masters of Business Administration in Leadership and Governance, which is being taught at the Institute of Accountancy Arusha. Furthermore, the study's findings, conclusions, and suggestions may contribute to the current knowledge of the impact of strategic leadership on the performance of manufacturing enterprises in Tanzania. Academics and researchers, this study aims to assist them in understanding how strategic leadership influences the performance of manufacturing businesses in Tanzania, hence identifying opportunities for more research in the domain of strategic leadership on company performance.

1.9 Organization of the Study

This research consists of five chapters. Chapter one discloses the background and problem which informs the study and its context. It also provides the justification for the study. Chapter two presents a review of relevant literature, while chapter three describes the research methodology, sampling, methods of data collection and analysis. Chapter four entails data presentation, analysis and discussions, while chapter five provides the summary, conclusions and recommendations of the study. References and appendices cover the last part of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter mainly presents discussions on three key aspects, namely: theoretical literature, empirical literature and conceptual framework. A theoretical literature review provides an in-depth understanding of the major concepts describing the phenomenon being studied, while empirical literature describes practical findings from research conducted to solve contradicting relationships in the phenomenon.

2.2 Operational Definitions

2.2.1 Strategic leadership

Strategic leadership is described as "the ability of the leader to foresee, visualise, and sustain flexibility, as well as to empower others to generate strategic change when needed" (Hitt, Ireland and Hoskisson 2007). Strategic leadership necessitates the capacity to adapt and integrate the organisation's internal and external business environments, as well as manage and engage in complicated information processing (Mische 2019). Strategic leadership is defined by several identifiable actions that positively contribute to effective strategy implementation, including determining strategic direction, establishing balanced organisational controls, the role of strategic leadership in effective strategy implementation, effectively managing the organisation's resource portfolio, sustaining an effective organisational culture, and emphasising ethical practices. In this study, strategic leadership is multifunctional; it entails managing via others and assisting organisations in dealing with change, which appears to be rising exponential in today's globalised economic climate.

2.2.2 Human Capital Development

According to Nel (2018), human capital development is the process of improving an organisation's employee performance, capabilities and resources. To ensure the smooth flow of their ideas towards implementation of the firm's objectives, an organisation requires a thorough appraisal of the human capital management to examine its staffing and structure. The executive management of most firms uses this method to assess the willingness of all departments to realise their goals. Therefore, the human resource department usually budgets for this activity because it provides useful information for predicting the resources needed for both staffing and development (Wuchty, Jones and Uzzi, 2007). Thus, effective human resource teams can have a positive impact on organisational effectiveness. In this study, human capital development is the process of improving the abilities and qualities of labour that influence productivity.

2.2.3 Strategic Direction

Strategic direction refers to the plans that need to be implemented for an organisation to progress towards its vision and fulfil its goals (Trespacios, 2012). It ensures owners and management can communicate the importance of employees' work and their contribution to achieving business objectives. Smith and Scriven (2011) asserted that leaders who have transformational qualities encourage others to engage in the creative process, thus increasing their alertness to new and expansive opportunities. In this study, the strategic direction is the set of activities and decisions a firm needs to make in order to achieve its goals and objectives.

2.2.4 Culture and Values

According to Nel (2018), culture is the collection of business practices, processes, and interactions that make up the work environment, while values guide decision-making and a sense of what's important and what's right. Culture and values bind people together, which makes them strong and united. It makes people learn tolerance and understand brotherhood which paves the path to social harmony, economic improvement and physical well-being of the community and the others. In this study, culture and values are the core principles and ideals upon which an entire community exists and protect and rely upon for existence and harmonious relationship.

2.2.5 Firm Performance

Performance is the record of results achieved on a given action during a given period of time (Wang et al., 2011). Therefore, performance is identified through output, streamlined internal processes, profits, attitudes of workers, and customer satisfaction, among others (William 2018). As per Chen (2020), a firm's performance is the "transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realised output (efficiency) and between output and achieved outcome (effectiveness)" Richard (2009) states three areas in the organisation's outcomes that can be used in measuring its performance: financial performance (incomes, investment return), return to shareholders (return of the shareholders) and performance of the product in the market (annual turnover, market share), employee stewardship, customer satisfaction and customer-supplier relationship.

2.3 Theoretical Literature Review

2.3.1 Resource Base View Theory

One of the essential theories covered in this study is Resource Base View. Porter (1985) developed it originally, and it has since become known as RBV. The philosophy was modified to be useful in the field of management science. According to the principle, firms may stay ahead of competitors by developing resources that are distinctive and diverse in their reach. In detail, it focuses on a company's essential assets that provide it with a competitive advantage in highly competitive marketplaces. Such resources are required for the organisation's continuous life and cannot be substituted due to the negative consequences such a move would have on the enterprise. The worth of assets is often determined by their capacity to improve the overall performance of the business as well as capitalise on opportunities while controlling dangers. Investing in the development of human capital is the most significant resource for businesses to obtain of sustained competitive edge. The viewpoint of highlighting that enterprises are just reflections of the resources they possess is one of the attitudes expressed by Hitt, Carnes, and Xu (2016). According to him, it was the assets that distinguished one firm from the next, particularly those in the same sector. It was impossible for all enterprises in the market to have the same set of resource endowments, such as labour and organisational culture. As a result, the endowment of the appropriate skills and assets became one of the primary factors when making strategic decisions in the workplace (Shang & Marlow, 2015). They also stressed the necessity of leveraging inventories as a strategy for gaining a competitive edge in the market. The decision-making process should account for all resources and the role they will play in boosting the firm's overall performance. There are primarily two assumptions of the resource-based view that all the resources of the organisation should be heterogeneous and immobile. This is the first primary assumption of resource-based view theory. Heterogeneous refers to the

variation in capabilities and skills from one organisation to the other. The resource-based view of the organisation highlights the inner competence of the organisation for making the strategy accomplish viable benefits in the market. If the firm is able to identify the inner competence, it helps identify the strength as well as weaknesses of the firm. This theory, therefore, informed strategic leaders of the reason for the development of human capital in improving the performance of manufacturing firms in Tanzania.

2.3.2 Charismatic Leadership Theory

House and Baetz created the behavioural theory of charismatic leadership theory in 1979, with the goal of long-term developing a common identity within an organisation. According to theorists, a charismatic leader is one who has the ability to earn the confidence, affection, and eager compliance of employees for the good of the organisation (House and Baetz, 1979). Charismatic leadership theory assumes that charm and grace are all that are needed to create followers and self-belief is a fundamental need of leaders. People follow others that they personally admire. The weakness of the theory is that confidence becomes hubris, pushing the envelope gets reckless, vision becomes a pipe dream, and the dramatic flair seems melodramatic and distracting," he says. There's a temptation to be hypnotised by a leader's charisma. The strength of the theory is that charismatic leaders may have a forceful opinion, but they are also sensitive to the emotions, ambitions, and personal experiences that others have. These leaders recognise that it is the duty of the leader to adjust their approach to each person instead of forcing others to adjust themselves to their leadership style.

Furthermore, the leader may instil excitement and desire in personnel, motivating them to achieve organisational goals. In most cases, it is via such strategic decisions that the firm's goal

and objectives are accomplished and employed as a tool for competitiveness. In a similar vein, Lussie and Achua (2015) focused on the strategic leader's role in ensuring that objectives are met, such as profit maximisation, are achieved through the input of charismatic and competent leaders. According to Boehm, Dwertmann, Bruch, and Shamir (2015), charismatic leaders have an impact on the performance of such companies.

In their review, Nohe et al. (2013) stated that looming change might threaten the interests and values of established organisations, resulting in a crisis that encourages the construction of charisma in opposition to change. Through charismatic leadership styles, Keskes (2014) investigated the link between leadership styles and characteristics of employee organisational commitment. Because charismatic leaders are good at expressing a vision to their subordinates through energy and enthusiasm, they are required to promote that vision in order to persuade investors to invest in the business. The crew is motivated and guided towards accomplishing the goals established by the leaders and instilling discipline embedded in the proper organisational culture. Therefore, in this study, this theory contributed to understanding the relevance of good communication of strategic direction by strategic leaders on the performance of manufacturing firms in Tanzania.

2.3.3 Contingency Theory

Contingency theory examines how conditional elements such as culture, technology, and competition influence organisational design and functioning. Firm effectiveness is thus not necessarily dependent on a good fit between the type of technology, environmental unpredictability, the size of the organisation, and its information structure (Vroom and Jago, 1988). According to Hersey and Blanchard (1974), the contingency theory proposes that there

is no one best method for leadership and that an effective leadership style in one scenario may not work in another. The effectiveness of a leader is determined by his actions in the given scenario.

According to Fiedler and Garcia (1987), a leader's productivity in the firm's high hierarchy is contingent on his capacity to adapt or adjust his behaviour. This is a problem in many organisations where managers are content with their existing accomplishments and hence do not consider their ability to attain the same degree of excellence in the future. A key assumption of the theory is that the theory of leadership supposes that a leader's effectiveness is contingent on whether or not their leadership style suits a particular situation.

According to this theory, an individual can be an effective leader in one circumstance and an ineffective leader in another one. The theory provides a realistic view of management and organisation. It discards the universal validity of principles. Managers are situation-oriented and not stereotyped. Lends itself to an innovative and creative management style. The manufacturing industry is a fast-paced environment where new challenges emerge all the time. The capacity of a company's executives to provide a strategic plan and roadmap that allows it to evolve and innovate is critical in fostering a creative response to new difficulties. This theory assisted the researcher in evaluating the influence of strategic action on the performance of manufacturing firms in Tanzania.

2.4 Empirical Literature Review

2.4.1 Human Capital Development

Muhammad (2017) identified the connection between strategic direction on Employee performance. Strategic leadership creates a unique relationship between management and employees to enhance employee performance. In this study, we also explore the mediating impact of work engagement among strategic leadership and employee performance. Convenience sampling is used as the sampling strategy. A total of 130 questionnaires are distributed among the respondents of the study. One hundred twenty (120) questionnaires are fairly attempted, with a response rate of 92.3%. To analyse the data, SPSS version 21 is used. To check the relationship between the variables, correlation analysis is used, which shows the significant relationship between the variables. To check the impact of one variable on another, regression analysis is used, which has clearly shown that strategic direction has a significant impact on employee performance. Thus, all the hypotheses presented significant outcomes. Thus, learning will guide the leaders of administrations to number out the part of strategic leadership to enhance employee performance for the upcoming cut-throat tests in global commercial competition.

Alhyasat and Sharif (2018) examined the relationship between strategic leadership and organisation performance in Jordan Industrial Estates Company. Self-administration questionnaire was used as a quantitative instrument to collect the data. A simple random sample of 30 employees from Jordan industrial estate company was the sample for this study. Statistical Package for the Social Sciences (SPSS) was used to determine the relationship between variables. The results of this study show a positive relationship between strategic direction and organisational performance. The study concluded that achieving organisation performance

needs more and more development of human capital and social capital between the employee themselves and the strategic leadership. Internal and external training is a very important issue that leadership should pay attention to it and plan carefully with the strategic plan of the organisation. The friendly relationship between employees and leadership increases employee performance. On the other hand, inside and outside, a good relationship between employees may increase the employee performance

Dahri (2018) aimed to assess human capital development's influence on organisational performance in banks through knowledge management by branch managers of Karachi, Pakistan. A cross-sectional design based on a random sampling method was used for 129 branch managers through a questionnaire. Data collected was analysed through Smart-PLS 3.2.8 revealed that all relations were significantly related. This study reveals effectiveness and predicts potential benefits that the banking sector may achieve while struggling in developing economies through knowledge management as a key resource to induce organisational performance. This study is thus useful for stakeholders in current scenarios, particularly in developing countries.

2.4.2 Strategic Direction

Nthini (2019) aimed to establish the effect of strategic leadership on the performance of commercial and financial State Corporations in Kenya. A descriptive survey design was used. The target population consisted of all the forty-eight (48) commercial and financial SCs in Kenya. Respondents were persons in charge of strategy or the human resource department. A semi-structured questionnaire was used to collect primary data. The response rate of this study was 77.1%, based on 37 respondents out of 48. The analysis of strategic leadership in commercial

and financial state corporations showed that, in positive organisational culture, core values, symbols and ideologies are shared. Correlation analysis provided the positive relationship between organisational culture, core values and organisational performance, showing that there was a positively strong relationship between corporate strategic direction and high customer satisfaction. Balanced organisational controls showed a positive, strong relationship with annual employee turnover. The correlation analysis that tested the level and significance of relationships of research variables confirmed that effective strategic leadership affects organisational performance. Therefore, the researcher recommended that balanced organisational controls should be effectively applied to realise good performance. A further study can be undertaken on the effect of strategic leadership on the performance of regulatory state corporations in Kenya.

Lola and Paul (2018) determine the effect of strategic leadership on the performance of the public sector in Kenya. This study used a descriptive research design. A sample size of 185 respondents has been selected through stratified random sampling. The study utilised primary data, which were collected through the use of structured questionnaires comprising both open and closed questionnaires. The questionnaires were self-administered by the use of research assistants. Data were analysed using the statistical package for social sciences software (SPSS) version 20.0. Data were analysed mainly by use of descriptive and inferential statistics. This study found that idealised influence had a significant strong positive contribution to organisational performance. The study further concluded that training and development programs has a significant and positive influence on the performance of the public sector in Kenya. The study also concluded that intellectual stimulation had a significant and positive influence on the performance of the public sector in Kenya. Finally, the study concluded that

moral leadership had a significant and positive influence on the performance of the public sector in Kenya. The study recommends that leaders in the public sector should be good role models to their juniors to enhance the performance of the public sector in Kenya.

Otwori and Muturi (2018) determined the role of strategic leadership on the performance of insurance companies in Uganda, guided by; establishing the effect of employee engagement on the performance of Insurance companies, to determine the effect of strategic communication on the performance of Insurance companies and to examine the effects of envisioning on the performance of Insurance companies. The study adopted a descriptive research design. Primary Data was collected. The target population for this study was 1127 employees of 56 insurance companies, from which a sample of 287 was selected. Inferential statistics were used to analyse information generated from respondents. Conclusions were made that strategic leadership influenced the performance of insurance companies. Managers should pay special attention to antecedents of leadership and all the factors which foster employee commitment so as to increase employee performance and subsequently increase organisational productivity: They need to focus on determining corporate strategic direction verified in this study to ensure the strategic competitiveness and performance of their organisations.

2.4.3 Culture and Value

Munawaroh et al. (2021) determined the effect of strategic leadership on competitive strategy, motivation on competitive strategy, organisation culture on competitive strategy, strategic leadership on business performance, motivation on business performance, organisation culture on business performance, and competitive strategy on business performance. The analytical method used in this research is structural equation modelling (SEM) to determine the causal

relationship between latent variables contained in structural equations. The analysis tool used is with the help of Smart PLS. The method used in this research is quantitative, and the data collection method is by distributing questionnaires to manufacturing industry employees electronically using a simple random sampling technique. The results of the questionnaire returned were 150 respondents. Based on the data analysis, it was concluded that strategic direction had no significant effect on competitive strategy. Strategic leadership has a significant effect on business performance, and organisational culture has a significant effect on business performance. Also, organisational culture has a significant effect on competitive strategy. Motivation has a significant effect on competitive strategy, and motivation has no significant effect on business performance. The competitive strategy has no significant effect on business performance.

Onkoba (2017) aimed to assess the effectiveness of strategic leadership practices on organisation performance. A descriptive research design was employed in this study. The target population of this study was 795 permanent employees in all the tea factories. A sample size of 303 respondents consisting of 261 employees, 6 managers and 36 supervisors was used in the study. Census was used to select factory unit managers and supervisors from each factory. The other employees were selected by using the stratified random sampling method. This study used a semi-structured questionnaire which contained both open-ended and close-ended questions to collect primary data. The drop-and-pick method was used to administer the questionnaires. The validity and reliability of the study were measured by supervisors examining the questionnaire and giving their recommendations on the suitability of the item. The questionnaires were prepared in readiness for analysis using a statistical package for social sciences (SPSS) to generate descriptive and inferential statistics using multiple regression

analysis. From the study, effectively exploitation of human resources and financial resources influence organisation performance. The study recommends that the management of tea factories should embrace strategic leadership Practices to enhance performance.

Hassan (2018) aimed to establish the impact of strategic leadership on the organisational performance of SMEs in Malaysia. The research has been done in Muar, Johor, Malaysia. A set of questionnaires with structured questions was generated and measured using a 5-point Likert Scale. The primary data was collected from the top management using convenience sampling. The sample size consists of 100 respondents who are directors, CEO, managers and top executives of 10 SMEs in Muar. This study used AMOS software to analyse the data. Confirmatory Factor Analysis (CFA) was used to determine the factor loading of the variables. Structural equation modelling was used to test the path analysis and the hypotheses. Findings unveiled that culture and value had insignificant positive impacts on organisational performance. The results showed that leadership vision, strategic direction, and core competencies have insignificant positive impacts on organisational performance and developing people has an insignificant negative impact on organisational performance. However, the study found that only innovation capability has a significant positive impact on organisational performance. Therefore, the innovation capability of strategic leadership, such as new products, creativity, innovation activities, value creation and new ideas with radical changes, are reckoned as the most important determinants in impacting organisational performance. It is highly recommended to all top management of SMEs in Malaysia to focus on the innovation capability of strategic leadership for their organisational performance.

Onchieku and Ragui (2019) investigate the effect of strategic leadership on the performance of housing co-operative societies in Nairobi City County, Kenya. A descriptive research design was used, and the study used primary data obtained from the respondents using self-administered questionnaires. The study used multiple regressions analysis to analyse the effect of strategic leadership on the performance of housing co-operative societies in Nairobi City County. The findings revealed that good communication of strategic direction positively affects performance. The study established that developing human capital positively affects performance. Findings established that sustaining corporate culture positively affects performance. The fourth research objective pointed out that organisational flexibility positively affects performance. The study recommends leaders take part in strategic leadership training and courses with the aim of acquiring the necessary skills to create better policies to enhance the competitiveness of the sector. The study recommends change management as a key factor in the improvement of the performance of housing co-operatives through organisational flexibility. Therefore, management boards of housing co-operatives should involve a number of stakeholders to help in the development of strategic plans and policies for managing their operations that will result in better performance.

2.5 Research Gap

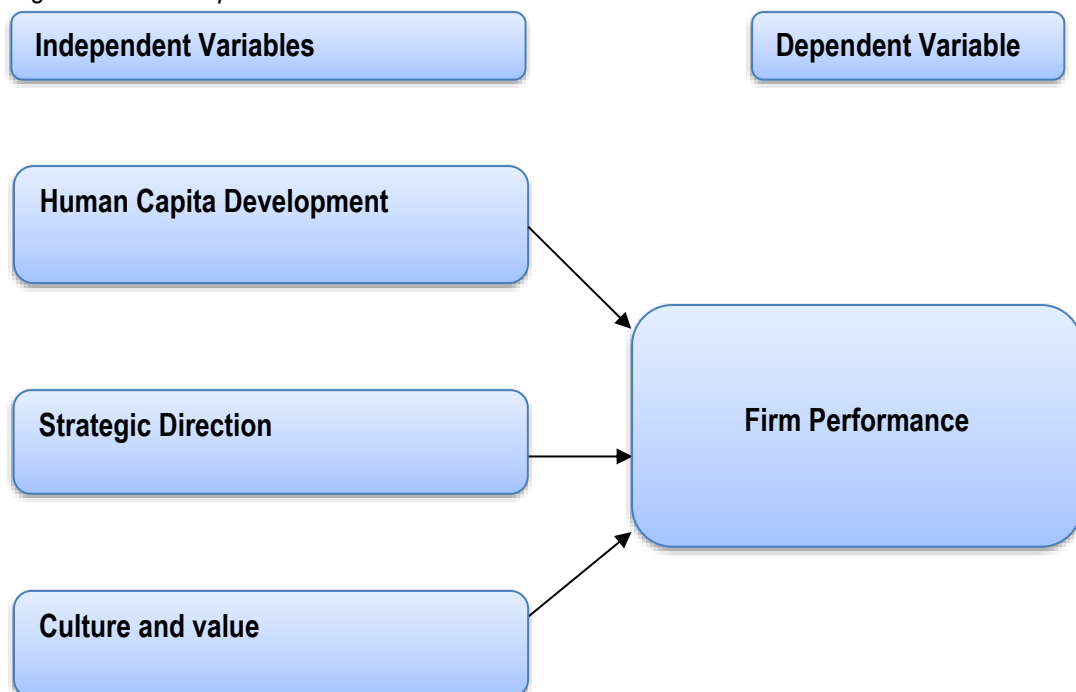
Several related studies have been conducted in the area of strategic leadership. However, many of these studies have focused on the private sector and other organisations as opposed to the public sector and have not analysed all the indicators of performance. Additionally, the past studies have gathered mixed and inconclusive results recommending that further studies be undertaken. These studies include Muhammad (2017), Alhyasat and Sharif (2018), Otwori and Muturi (2018), Onkoba (2017), Hassan (2018) and Onchieku and Ragui (2019), among others.

However, to the best of researchers' knowledge, there are limited studies that have addressed the effectiveness of strategic leadership on the performance of manufacturing firms. Therefore, this study intended to bridge this knowledge gap by examining the Impact of strategic leadership on the performance of manufacturing firms in Tanzania, particularly the Kilimanjaro International Leather Industry.

2.6 Conceptual Framework

A conceptual framework for this study is presented in Figure 2.1. Independent variables in this study are Human Capital Development, Strategic Direction and culture and value. The dependent variable of this study is firm performance.

Figure 2.1: Conceptual Framework



Source: Extract from literature review (2022).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The following chapter describes several stages and phases in which the investigation was completed. It included a plan for data collection, processing and measurement. This phase includes decisions on how to conduct research and approach respondents, as well as when, where and how to complete the research. In this section, the research, therefore, identified the methods and techniques employed in data collecting, processing and analysis. In particular, the following paragraphs shall comprise; the design of research, target population, design of samples, instruments of collection of data, procedures for data collection, data analysis, validity and reliability and finally, ethical consideration.

3.2 Research Design

This research was carried out with the use of a descriptive study design. The descriptive design was embraced as it enables the review of the relationship of the variables under study. The descriptive design was used because it allows improved adjustment of time, cash and, furthermore, a strategic detachment from the challenge of chasing respondents more than once to produce a high rate of response (Punch, 2015).

3.3 Area of the Study

The study was conducted at the Kilimanjaro International Leather Industry. The researcher decided to conduct the study at Kilimanjaro International Leather Industry because the place was very accessible and comfortable for the researcher. It was easy to get the information

needed for data collection. Choosing any other region would mean travelling a long distance just to make contact with the respondents, which would have been costly and very difficult considering the time frame of the research.

3.4 Research Approach

Quantitative approaches, according to Cooper and Schindler (2015), stress objective measurements and statistical, mathematical, or numerical analysis of data obtained through polls, questionnaires, and surveys or by modifying pre-existing statistical data using computing tools. Quantitative research is concerned with collecting numerical data and generalising it across groups of individuals or explaining a specific occurrence. This study employed a quantitative approach in the collection of relevant data.

3.5 Sampling Design

3.5.1 Population

According to Mertens and Ginsberg (2019), a research population is also known as a well-defined collection of individuals or objects known to have similar characteristics. All individuals or objects within a certain population usually have a common, binding characteristic or trait. The population of this study included 260 employees of Kilimanjaro International Leather Industry, Tanzania. This population was believed to possess information to solve problem under the study.

3.5.2 Sampling Procedures

The researcher used the probability sampling technique. Simple sampling was used to select respondents. Martens (2015) defines simple random sampling as a subset of a statistical population in which each member of the subset has an equal probability of being chosen. This study employed simple random sampling. Employees from Kilimanjaro International Leather Industry, Tanzania had an equal chance to be included in this study.

3.5.3 Sample Size

The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. A minimum sample of 158 people was selected from the population which is assumed to respond to the questionnaires. The sample size was calculated using this formula of Krejcie and Morgan (2010);

$$n = \frac{N}{1 + N \cdot e^2}$$
$$n = \frac{260}{1 + 260 \cdot 0.05^2} = 158$$

Where n = number of samples, N = total population; e = standard error of sampling (5%) is tolerated.

Table 3.1: Targeted Population with Respective Sample Size

Department	Population	Sample Size
Administration Department	12	7
Finance Department	6	4
Human Resource Department	5	3
Customer Service Department	24	15
Quality Assurance Department	32	19
Operation Department	82	50
IT Department	2	1
Production Department	93	57
Procurement Department	4	2
TOTAL	260	158

Source: Researcher (2022).

3.6 Data Collection Methods

Primary and Secondary data was collected in this study. The instrument used to collect primary data was a self-administered questionnaire which was provided to chosen sample respondents from the Kilimanjaro International Leather Industry offices. This questionnaire was closed-ended and included a list of statements on which participants were asked to freely identify their level of agreement or disagreement in their respective rooms by using a five-point Likert scale to determine the attitude of assigning points 1, 2, 3, 4, and 5 to terms of strong disagreement, disagreement, neutrality, agreement, and strong agreement in the order of the numbers. The

researcher, articles and journals undertaken by other researchers, as well as business policies, were evaluated for the purposes of this study, and secondary data was collected.

3.7 Pilot Study

The pilot study is conducted to detect weaknesses in design and instrumentation and to provide proxy data for section probability samples (Cooper and Schindler 2018). The study conducted pilot testing of data collection tools to 10% of a sample size to check for weaknesses and ambiguity. Questionnaires were checked for improvement before being used in the field for data collection.

3.8 Data Analysis

Quantitative data was acquired in this study. Quantitative data was analysed quantitatively using descriptive and inferential statistics provided by Statistical Package for the Social Sciences (SPSS). The SPSS package is preferred due to its extensive analytical capacity and ease of administration of data. To explain findings, descriptive statistics was employed to show frequencies and percentages. Also, correlation and regression analysis were used to establish whether there is a relationship between the various variables under the study. Results was then presented in tables and figures for easier assessment. The regression model is as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \alpha$$

Where:

Y – Dependant variable (Firm performance)

β_0 - Regression coefficient / constant/ Y-intercept

β_1 , β_2 , and β_3 are the slope of the regression equation

X1- Human Capital Development

X2 – Strategic Direction Communication

X3 – Culture and Value

α - Error term

3.9 Validity and Reliability of the Instrument

3.9.1 Reliability of the Instrument

The concepts of reliability and validity are core issues in determining the quality of a study. In order for a study to provide sufficiently sound, consistent, and relevant evidence, the information provided must be both reliable and valid (Csikszentmihalyi and Larson 2014). Reliability is referred to as the tendency toward consistency found in repeated measurements. Reliability requires the use of standardised information collection instruments and survey procedures that are designed to enhance consistency. The researcher used Cronbach's alpha method to test the reliability of the data in order to measure internal consistency.

Table 3.2: Reliability Statistics

Constructs	Cronbach's Alpha	N of Items
Human Capital Development	.749	6
Strategic Direction	.755	7
Culture and Value	.722	7

Source: Research Findings (2022).

The results in table 3.2 show that the reliability of data instruments was acceptable since Cronbach alpha was larger than 0.7 for all constructs, as George and Mallery (2003) noted that Cronbach' alpha greater than 0.7 is acceptable.

3.9.2 Validity of the Instrument

Validity is the extent to which the survey information is relevant to the conclusion being drawn and is sufficiently accurate and complete to support the conclusion. Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are (Csikszentmihalyi and Larson 2014). To measure the validity of the instruments, the Kaiser Meyer Olkin (KMO) method was used.

Table 3.3: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.816
Bartlett's Test of Sphericity	Approx. Chi-Square	58.161
	Df	9
	Sig.	.000

Source: Research Findings (2022).

According to the results of the test shown in table 3.3, KMO had a value of 0.816, which is acceptable, and the Bartlett test yielded p-value =0.00, indicating that the variables are correlated highly enough to provide a reasonable basis for factor analysis, as suggested by Csikszentmihalyi and Larson (2014) that KMO should be greater than 0.6 and the value for the Bartlett test should be less than 0.05.

3.10 Ethical Considerations

This investigation addressed ethical problems. The researcher guaranteed that no one incurred negative repercussions as a result of the research activities, remembering that the study was structured so that the respondents would not suffer bodily or mental injury, discomfort, victimisation, pain, shame, or loss of privacy. Furthermore, in order to get informed permission, the researcher verified that respondents' participation is voluntary; that is, no respondent was forced to participate in the study. The researcher told respondents about the nature and purpose of the study, as well as their options to participate or not. Before going to the field to gather data, the researcher received a research permission letter from the Institute of Accountancy Arusha.

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents research findings regarding on the impact of strategic leadership on the performance of manufacturing firms in Tanzania specifically Kilimanjaro International Leather Industry. The collected data from the field were analysed in relation to the objectives of the study. The findings were presented in form of tables, figures and text descriptions for straight forward understanding.

4.2 Response Rate

Respondents in this research were given 158 questionnaires, but only 148 were returned and analysed, yielding a 94% response rate. According to Cooper and Schindler (2018), a response rate of more than 70% is considered extremely good. As a result, the response rate was graded as very good. The recommended response rate was achieved after the researcher physically administered the questionnaires and made personal visits and phone calls to remind respondents to fill out and return the questionnaires.

4.3 Personal Information

In social sciences research personal characteristics of respondents have a very significant role to play in expressing and giving the responses about the problem. In this study, a set of personal characteristics have been examined and presented in this section.

Table 4.1: Demographic Information

		Frequency	Percent
Gender	Male	80	54.1
	Female	68	45.9
Age of the Respondents	Below 35 Years	62	41.9
	35-44 Years	58	39.2
	45 Years and above	28	18.9
Education Level	Primary Education	42	28.4
	Secondary Education	68	45.9
	College Education	38	25.7
Length of Service	Below 3 years	80	54.1
	3 years and Above	68	45.9

Source: Field Data (2022).

According to the data in the table above, there were 148 total responses, with 54.1% being male and 45.9% being female. This suggests that the thoughts offered in this study were gender-neutral and reflect the perspectives of both genders. As indicated in Table 4.1, the data reflect viewpoints from various age groups, with the majority of respondents (41.9%) being under the age of 35. According to the data in the table above, 45.9% of respondents had a secondary education. This means that respondents were educated and aware enough about the subject to offer relevant information. According to the data acquired, 54.1% of respondents had been working for less than three years. As a result of the study findings, it is reasonable to conclude that respondents had prior experience with strategic leadership, were familiar with the

performance level at their firm, and understood the relationship between strategic leadership and firm performance.

4.4 Presentation of Findings

This study had three specific objectives and the aim of the findings is to show if the objectives were met. A five-point Likert scale was used where 1 represents Strongly Disagreed, 2 Disagreed, 3 represents Neutral, 4 represents Agreed and 5 represents Strongly agreed. Based on the mean values, the five-point scale ranges are as follows: mean scores of less than 1.5 represents Strongly Disagreed; mean scores of 1.5 but less than 2.5 represents Disagreed mean scores of 2.5 but less than 3.5 represents Neutral; mean scores of 3.5 but less than 4.5 represents Agreed; mean scores of 4.5 to 5 represents Strongly agreed. A standard deviation (SD) is a measure of how far off the data is from the mean. A low standard deviation (less than 1) implies that data are concentrated around the mean, whereas a high standard deviation (greater than 1) shows that data are more dispersed.

4.4.1 Human Capital Development

The study sought to assess the impact of human capital development on the performance of manufacturing firms in Tanzania. The results were as shown in Table 4.2 below.

Table 4.2: Human Capital Development

	Mean	Std. Deviation
The firm accumulates, combines and exploits the human capital resources to develop a competitive advantage and create value	3.5	1.2
The firm has employed effective training and development programs that contribute positively to the firm's efforts to form core competencies	3.6	1.1
The investment in human capital is adequate to produce the expanding knowledge necessary for strategic success	3.7	1.2
There is more learning from failure than from success	3.4	1.1
Leaders are involved in the learning experience	4.4	1.2
Downsizing leads to a reduction in the level of investment in training and the development of human capital.	3.5	1.1
WEIGHTED MEAN	3.68	

Source: Field Data (2022).

From the table 4.2 above, majority of the respondents designated that firm accumulates, combines and exploits the human capital resources to develop a competitive advantage and create value. This was shown by the mean of 3.5 and standard deviation of 1.2. Study finding uncovered that firm has employed effective training and development programs that contribute positively to the firm's efforts to form core competencies by mean of 3.6 and standard deviation of 1.1. Employee training is a critical problem that executives must prioritize and properly plan in conjunction with the organization's strategic strategy. Employee training improves company performance. Majority of the respondents agreed that, investment in human capital is adequate

to produce the expanding knowledge necessary for strategic success. This was shown by the mean of mean of 3.7 and standard deviation of 1.2. Study findings depicted that there is more learning from failure than from success by mean of 3.4 and standard deviation of 1.1. Also, the study unveiled that leaders are involved in the learning experience by mean of 4.4 and standard deviation of 1.2 whereas downsizing leads to a reduction in the level of investment in training and the development of human capital mean of 3.5 and standard deviation of 1.1. Therefore, with the weighted mean of 3.68, it can be deduced that respondents agreed that the human capital development impact the performance of manufacturing firms in Tanzania.

4.4.1.1 Relationship between Human Capital Development and Firm Performance

Study findings sought if there is any relationship between human capital development and firm performance. Data in table 4.3 below found that human capital development has a positive and significant relationship with firm performance ($r = 0.715$, $N=148$). This is evident in the presentation below;

Table 4.3: Correlations between Human Capital Development and Firm Performance

		Human Capital Development	Firm Performance
Human Capital Development	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	148	
Firm Performance	Pearson Correlation	.715	1
	Sig. (2-tailed)	.030	
	N	148	148

Source: Field Data (2022).

4.4.2 Strategic Direction

The study sought to determine the impact of strategic direction on the performance of manufacturing firms in Tanzania. The results were as shown in Table 4.4 below.

Table 4.4: Strategic Direction

	Mean	Std. Deviation
The vision/mission/strategic intent is clearly defined and understood by the staff	3.9	1.2
CEO's personality is inclined towards initiation of strategic change and performance effects of strategic change implementation	3.6	1.3
Management facilitates employees' meaning making of changes to achieve the envisioned future through communication	3.6	1.3
The CEO and the top management team are too committed to the status quo, avoiding any perceived risky actions	3.7	1.3
Leaders are good models to employees	3.6	1.2
Employees are encouraged to use standards procedures	3.6	1.3
Leaders communicate clearly the organisation's goals	3.5	1.4
WEIGHTED MEAN	3.64	

Source: Field Data (2022).

In this study, respondents consented that vision/mission/strategic intent is clearly defined and understood by the staff. This was depicted by mean of 3.9 and standard deviation of 1.2. Majority of the respondents asserted that CEO's personality is inclined towards initiation of strategic

change and performance effects of strategic change implementation by the mean of 3.6 and standard deviation of 1.3. Study findings depicted that management facilitates employees' meaning making of changes to achieve the envisioned future through communication by the mean of 3.6 and standard deviation of 1.3 while CEO and the top management team are too committed to the status quo, avoiding any perceived risky actions by the mean of 3.7 and standard deviation of 1.3. Also, the study unveiled that leaders are good models to employees by the mean of 3.6 and standard deviation of 1.2 whereas employees are encouraged to use standards procedures by the mean of 3.6 and standard deviation of 1.3. Moreover, the study uncovered that, leaders communicate clearly the organisation's goals by the mean of 3.5 and standard deviation of 1.4. The purpose of strategic direction is to create an atmosphere in which employees examine the demands of the company in the context of their own employment, allowing them to efficiently execute their tasks and accomplish defined goals while enhancing firm performance. Therefore, with the weighted mean of 3.64, it can be deduced that respondents agreed that the strategic direction impact the performance of manufacturing firms in Tanzania.

4.4.2.1 Relationship between Strategic Direction and Firm Performance

Study findings sought if there is any relationship between strategic direction and firm performance. Data in table 4.5 below showed that strategic direction has a positive and significant relationship with firm performance ($r = 0.605$, $N=148$). This is evident in the presentation below;

Table 4.5: Correlations between Strategic Direction and Firm Performance

		Strategic Direction	Firm Performance
Strategic Direction	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	148	
Firm Performance	Pearson Correlation	.605**	1
	Sig. (2-tailed)	.000	
	N	148	148
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Field Data (2022).

4.4.3 Culture and Value

The study intended to evaluate the impact of culture and value on the performance of manufacturing firms in Tanzania. Findings regarding impact of culture and value on the performance of manufacturing firms in Tanzania are presented in table 4.6 below;

Table 4.6: Culture and Value

	Mean	Std. Deviation
Practices are tailored into a culture that complements the firm's chosen strategy	3.6	1.3
Managers do not coordinate the innovative work of others, energise the culture and foster alignments with the vision and mission of the firm	3.7	1.2
The culture in the firm is sensitive to ethical considerations	3.5	1.3
The firm's culture encourages the pursuit of entrepreneurial opportunities, which is a vital source of growth and innovation	3.6	1.2
The firm has a unique culture that is difficult to imitate and encourages strategic thinking	3.6	1.3
Managers are vigilant when people fall short of targets, as goal-setting motivates unethical behaviour when people fall short of a goal.	3.6	1.2
Positive moral leadership encourage ethical practices that shape the firm's decision-making process and integrate into the firm's culture	3.4	1.1
WEIGHTED MEAN	3.57	

Source: Field Data (2022).

Mean and standard deviation for practices are tailored into a culture that complements the firm's chosen strategy was found to be 3.6 and 1.3 correspondingly while for managers do not coordinate the innovative work of others, energises the culture and foster alignments with the vision and mission of the firm was found to be 3.7 and 1.2 correspondingly. Study finding uncovered that, the culture in the firm is sensitive to ethical considerations by mean of 3.5 and standard deviation of 1.3. It is critical for the business to choose ethical strategic leaders and

workers who include ethical practices in their long-term vision for the firm, who want to do the right thing, and who value honesty, trust, and integrity. Majority of the respondents agreed that the firm's culture encourages the pursuit of entrepreneurial opportunities, which is a vital source of growth and innovation (Mean = 3.6, standard deviation = 1.2) and the firm has a unique culture that is difficult to imitate and encourages strategic thinking (Mean = 3.6, standard deviation = 1.3). Study findings depicted that managers are vigilant when people fall short of targets, as goal-setting motivates unethical behaviour when people fall short of a goal. This was indicated by the mean and standard deviation of 3.6 and 1.2 respectively. Also, the respondents agreed that positive moral leadership encourage ethical practices that shape the firm's decision-making process and integrate into the firm's culture. This was shown by the mean of 3.4 and standard deviation of 1.1. Therefore, with the weighted mean of 3.57, it can be deduced that respondents agreed that the culture and value impact the performance of manufacturing firms in Tanzania.

4.4.2.1 Relationship between Culture and Value and Firm Performance

Study findings sought if there is any relationship between culture and value and firm performance. Data in table 4.7 below depicted that culture and value have a positive and significant relationship with firm performance ($r = 0.609$, $N=148$). This is evident in the presentation below;

Table 4.7: Correlations between Culture and Value and Firm Performance

		Culture and Value	Firm Performance
Culture and Value	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	148	
Firm Performance	Pearson Correlation	.609**	1
	Sig. (2-tailed)	.000	
	N	148	148
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Field Data (2022).

4.5 Regression Analysis

A linear regression analysis was conducted to the impact of strategic leadership on the performance of manufacturing firms in Tanzania specifically Kilimanjaro international leather industry. Table 4.8 below shows the results of the model summary showing how much of the variation in firm performance (dependent variable) was accounted for by strategic leadership (independent variable).

Table 4.8: Regression Output

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.802 ^a	.693	.482	3.66188		
ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1875.755	3	625.252	46.628	.000 ^b
	Residual	1930.948	144	13.409		
	Total	3806.703	147			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.797	2.755		2.104	.037
	Human Capital Development	.317	.108	.207	2.946	.004
	Strategic Direction	.215	.062	.281	3.485	.001
	Culture and Value	.500	.084	.520	5.985	.000
	a. Dependent Variable: Firm Performance					

Source: Field Data (2022).

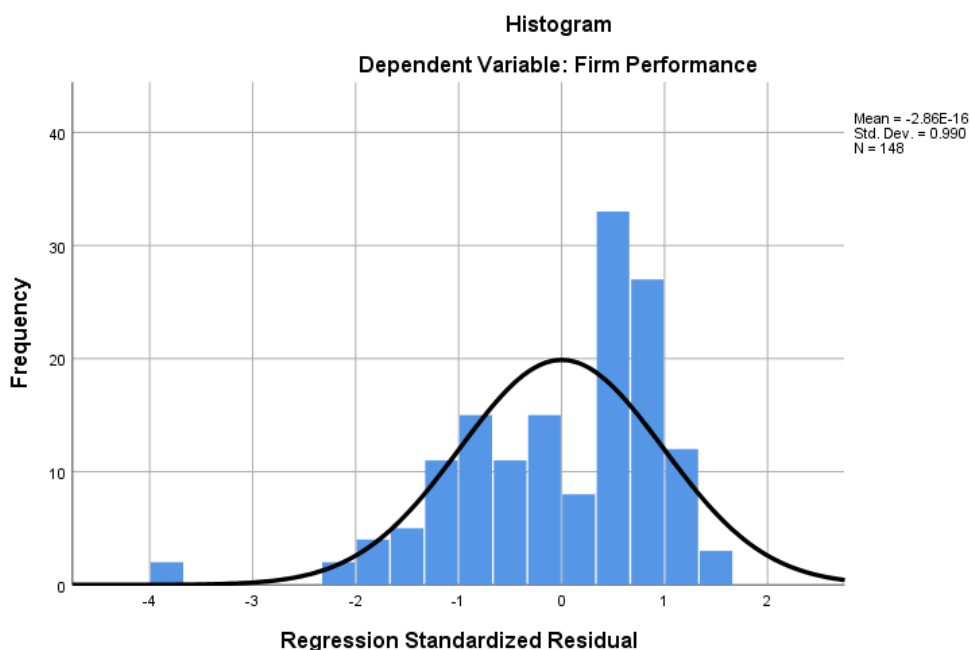
As can be observed in Table 4.8 above, R was 0.802 and R Square was 0.693 at 0.05 level of significance. The coefficient of determination indicates that 69.3% of the variations on firm performance can be explained by human capital development, strategic direction and culture and value. The remaining 29.7% can be explained by other variables not included in the study. R square and adjusted R is above average an implication that an above average variation can be explained by the model. Further analysis of ANOVA as shown in Table 4.8 above showed that significance of F statistics is 0.000, which is less than 0.05 and the value of F (46.628) being significant at 0.00 confidence level. The study conducted a multiple regression analysis so as

to determine the association between all the three categories of strategic leadership on the dependent variable (Firm performance). The multiple linear regression model was of the form: Firm Performance = 5.797 + 0.317X₁ + 0.215X₂ + 0.500X₃ + α. According to the regression equation established, taking all factors into account with constant at zero, outcomes will be 5.797. Taking all other independent variables at zero, human capital development increases firm performance by 0.317. While strategic direction will result in 0.215 decrease in firm performance and culture and value will result in a 0.500 increase in firm performance.

4.6 Normality

The test for normality was undertaken so as to ensure that the study variables are normally distributed. The pictorial presentation in Figure 4.5 showed that firm performance was approximately normally distributed with a mean of 0 and standard deviation of 1.

Figure 4.1: Normality



Source: Field Data (2022).

4.7 Discussion of Findings

4.7.1 Human Capital Development

Human capital development is an internal issue in the organization. Findings designated that firm accumulates, combines and exploits the human capital resources to develop a competitive advantage and create value. These findings are in agreement with Onkoba (2017) who found that effectively exploitation of human resources and financial resources influence organisation performance. Study finding uncovered that firm has employed effective training and development programs that contribute positively to the firm's efforts to form core competencies. The Resource Base View Theory indicated that investing in the development of human capital is the most significant resource for businesses to obtain of sustained competitive edge. On the same vein, Lola and Paul (2018) concluded that training and development programs has a significant and positive influence on the performance. Training and development programs are crucial for constant competitive edge and business success of the Kilimanjaro International Leather Industry. By investing invest in new knowledge creation through training and development programs, the firm will perform better than those who depend on knowledge created by others.

Majority of the respondents agreed that, investment in human capital is adequate to produce the expanding knowledge necessary for strategic success. Study findings depicted that there is more learning from failure than from success. Leaders give motivation, direction, fair opportunity, reward and performance measurement, and, most significantly, knowledge management techniques. To be an expert in knowledge management methods in the Kilimanjaro International Leather Industry, employees must be given a leadership style that

gives them the authority and responsibility to govern their lives at work. This is significant because leaders set the example for others to follow. As a result, the leadership position is thought to influence how businesses approach knowledge management processes, practices, and implementation.

Also, the study unveiled that leaders are involved in the learning experience whereas downsizing leads to a reduction in the level of investment in training and the development of human capital. Findings showed a positive relationship between human capital development and firm performance. These findings collaborate with the findings of Dahri (2018) which revealed that human capital development and organizational performance are significantly related. However, Munawaroh et al. (2021) concluded that strategic direction had no significant effect on competitive strategy. Similarly, Onchieku and Ragui (2019) established that developing human capital positively affects performance.

4.7.2 Strategic Direction

Strategic leadership is thus the ability of leaders to generate and re-invent reasons for the organization's survival. The leader must be able to keep one eye on how the organization is currently adding value and the other on developments, both inside and outside the organization, that either threaten the company's position or provide a fresh chance to contribute value. Majority of the respondents consented that vision/mission/strategic intent is clearly defined and understood by the staff whereas the CEO's personality is inclined towards initiation of strategic change and performance effects of strategic change implementation. On contrary, Hassan (2018) showed that leadership vision, strategic direction, and core competencies have

insignificant positive impacts on organisational performance and developing people has an insignificant negative impact on organisational performance.

Study findings depicted that management facilitates employees' meaning making of changes to achieve the envisioned future through communication while CEO and the top management team are too committed to the status quo, avoiding any perceived risky actions. Otwor and Muturi (2018) added that managers should pay special attention to antecedents of leadership and all the factors which foster employee commitment so as to increase employee performance and subsequently increase organisational productivity:

Also, the study unveiled that leaders are good models to employees whereas employees are encouraged to use standards procedures. The most certain approach to do this is to create and implement an integrated strategic leadership framework that can be applied to the widest variety of business-related issues and components. Kilimanjaro International Leather Industry must identify, balance, integrate, and align all external and internal variables that may have an influence on the firm's ability to provide strategic leadership. This involves identifying trends, patterns, and potential reactions that may result from strategic leadership activation. It is critical for the businesses' future focus to take the appropriate procedures and actions to assure the supply of products and services that fulfil the demands of both internal and external consumers. At this level of strategic leadership, issues like as empowerment and personal accountability for quality building are critical.

Moreover, the study uncovered that, leaders communicate clearly the organisation's goals. The Charismatic Leadership Theory indicated that charismatic leaders are good at expressing a

vision to their subordinates through energy and enthusiasm, they are required to promote that vision in order to persuade investors to invest in the business. Employees are motivated and guided towards accomplishing the goals established by the leaders and instilling discipline embedded in the proper organisational culture. Either, Onchieku and Ragui (2019) revealed that good communication of strategic direction positively affects performance.

Study findings unveiled a positive relationship between strategic direction and firm performance. The research findings coincided with Muhammad (2017) that strategic direction has a significant impact on employee performance. Also, Alhyasat and Sharif (2018) show a positive relationship between strategic direction and organisational performance. Strategic leaders must be capable of architecting present corporate strategies as well as leading others in establishing who the new architect of the future will be. Kilimanjaro International Leather Industry leaders must be capable of thinking about change and advancing the organization in new directions that lead to form performance.

4.7.3 Culture and Value

Because culture influences how a company functions, it allows it to govern its employees' behaviour. This is built on an advantage over competitors. Findings of this study indicated that the practices are tailored into a culture that complements the firm's chosen strategy while for managers do not coordinate the innovative work of others, energises the culture and foster alignments with the vision and mission of the firm.

Study finding uncovered that, the culture in the firm is sensitive to ethical considerations. Kilimanjaro International Leather Industry would be able to efficiently implement its strategies if

it adheres to ethical values. Firms with moral leadership motivate and allow employees at all levels of the organization to act ethically while working to achieve the firm's goals. As a result, Kilimanjaro International Leather Industry and other Tanzanian manufacturing enterprises must select strategic executives who embrace ethical practices as part of their enduring vision for the organization, as well as those who aspire to operate in the right way and with honesty and integrity.

Findings of this study found that the firm's culture encourages the pursuit of entrepreneurial opportunities, which is a vital source of growth and innovation and the firm has a unique culture that is difficult to imitate and encourages strategic thinking. This is in line with contingency theory which asserted that the manufacturing industry is a fast-paced environment where new challenges emerge all the time. The capacity of a company's executives to provide a strategic plan and roadmap that allows it to evolve and innovate is critical in fostering a creative response to new difficulties.

Study findings depicted that managers are vigilant when people fall short of targets, as goal-setting motivates unethical behaviour when people fall short of a goal and positive moral leadership encourage ethical practices that shape the firm's decision-making process and integrate into the firm's culture. Equally, Lola and Paul (2018) concluded that moral leadership had a significant and positive influence on the performance. Employees who lack moral courage may engage in unethical behaviour such as discussing confidential information with unauthorized individuals, falsifying receipts to increase reimbursements, damaging work property, taking property from work without permission, misusing company assets and resources, and purposefully saying or doing hurtful things to others.

Study findings depicted a positive relationship between culture and value and firm performance. These results correlate with Nthini (2019) found a positive relationship between organisational culture, core values and organisational performance. Also, Munawaroh et al. (2021) found organisational culture has a significant effect on business performance. Although, Hassan (2018) unveiled that culture and value had insignificant positive impacts on organisational performance.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusion and recommendations of the study on the impact of strategic leadership on the performance of manufacturing firms in Tanzania taking of Kilimanjaro International Leather Industry as a case study. It presents a summary of major findings according to specific objectives, conclusions and finally recommendations, specifying recommendations for action and for further studies.

5.2 Summary of the Findings

5.2.1 Human Capital Development

The first objective of this study assessed the impact of human capital development on the performance of manufacturing firms in Tanzania. Majority of the respondents designated that firm accumulates, combines and exploits the human capital resources to develop a competitive advantage and create value. Study finding uncovered that firm has employed effective training and development programs that contribute positively to the firm's efforts to form core competencies. Majority of the respondents agreed that, investment in human capital is adequate to produce the expanding knowledge necessary for strategic success. Study findings depicted that there is more learning from failure than from success. Also, the study unveiled that leaders are involved in the learning experience whereas downsizing leads to a reduction in the level of investment in training and the development of human capital. Findings showed a positive relationship between human capital development and firm performance.

5.2.2 Strategic Direction

The second objective determined the impact of strategic direction on the performance of manufacturing firms in Tanzania. Majority of the respondents consented that vision/mission/strategic intent is clearly defined and understood by the staff. Majority of the respondents asserted that CEO's personality is inclined towards initiation of strategic change and performance effects of strategic change implementation. Study findings depicted that management facilitates employees' meaning making of changes to achieve the envisioned future through communication while CEO and the top management team are too committed to the status quo, avoiding any perceived risky actions. Also, the study unveiled that leaders are good models to employees whereas employees are encouraged to use standards procedures. Moreover, the study uncovered that, leaders communicate clearly the organisation's goals. Study findings unveiled a positive relationship between strategic direction and firm performance.

5.2.3 Culture and Value

The third objective intended to evaluate the impact of culture and value on the performance of manufacturing firms in Tanzania. Findings indicated that the practices are tailored into a culture that complements the firm's chosen strategy while for managers do not coordinate the innovative work of others, energies the culture and foster alignments with the vision and mission of the firm. Study finding uncovered that, the culture in the firm is sensitive to ethical considerations. Majority of the respondents agreed that the firm's culture encourages the pursuit of entrepreneurial opportunities, which is a vital source of growth and innovation and the firm has a unique culture that is difficult to imitate and encourages strategic thinking. Study findings depicted that managers are vigilant when people fall short of targets, as goal-setting motivates

unethical behaviour when people fall short of a goal. Also, the respondents agreed that positive moral leadership encourage ethical practices that shape the firm's decision-making process and integrate into the firm's culture. Study findings depicted a positive relationship between culture and value and firm performance.

The coefficient of determination indicates that 69.3% of the variations on firm performance can be explained by human capital development, strategic direction and culture and value. The remaining 29.7% can be explained by other variables not included in the study. Findings showed that firm performance was approximately normally distributed with a mean of 0 and standard deviation of 1.

5.3 Conclusions

This study has examined the on the impact of strategic leadership on the performance of manufacturing firms in Tanzania with special focus to Kilimanjaro International Leather Industry. The study concluded that the human capital development has a positive and significant relationship with firm performance. It is therefore critical for leaders to accumulate, combine, and exploit human capital resources in order to develop a competitive advantage and create value, while also providing effective training and development programs that positively contribute to the firm's efforts to form core competencies and expand knowledge required for strategic success. The study also concluded that strategic direction has a positive and significant relationship with firm performance. Leaders are therefore expected to define the firm's strategic vision, set goals, and develop long and short-term objectives. Leaders should also be effective role models for employees in order to urge them to follow the standard operating procedures. The study further concluded that culture and value have a positive and

significant relationship with firm performance. It is critical for leaders to create and support frequent ethics training programs that guarantee employees understand the ethical code of conduct in their area of competence while also serving as positive role models for their employees.

5.4 Policy Implication

This research will assist organizational leaders in understanding the impact of strategic leadership on business success. This will assist them in identifying areas for improvement and turning strategic leadership into a performance instrument. This study will assist policymakers in determining whether there is any increase in manufacturing company performance that can be directly linked to strategic leadership and inventing policies that will assure high performance of manufacturing companies. This research aims to assist academics and researchers in understanding how strategic leadership influences the performance of manufacturing organizations and identifying opportunities for future research in the domain of strategic leadership on firm performance.

5.5 Recommendations

From the results of this study the following recommendations were proposed;

- i. The study suggests that Kilimanjaro International Leather Industry executives consider building human capital to improve business performance. According to the study, Kilimanjaro International Leather Industry should train and educate their leadership and management on the importance of delegation of duties, particularly in the timely

implementation of project activities, which would translate to timely project completion and delivery of benefits to the target beneficiaries.

- ii. It is strongly advised that leaders in the Kilimanjaro International Leather Industry participate in high performance strategic leadership methods, particularly those concentrating on setting business strategy direction, as confirmed by this study. This feature will assure the firm's strategic competitiveness and performance.
- iii. According to the report, leaders in the Kilimanjaro International Leather Industry should support ethical behaviours among their juniors in order to improve performance. According to the study, in order to thrive in a highly competitive company environment with rapid cultural and technical changes, leaders must strengthen strategic leadership activities by linking vision, mission rewards, and financial incentives to performance objectives, innovation, or creativity.

5.6 Area for Further Studies

The study sought to examine the impact of strategic leadership on the performance of manufacturing firms in Tanzania particularly Kilimanjaro International Leather Industry. Other research should be undertaken on other Tanzanian enterprises to see if comparable outcomes can be obtained. Future research should focus on confirming the study's results and conclusions by conducting replication studies in other industries such as banking and insurance in Tanzania. Furthermore, the research only looked at three areas of strategic leadership: human capital development, strategic direction, and culture and values. Other characteristics of strategic leadership not included in this study, such as strategic thinking, strategic learning, and strategic action, can be relied on by future researchers. Furthermore, the study was limited to a

quantitative research technique. As a result, future research might expand on this study by taking a qualitative approach to the influence of strategic leadership on firm performance.

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APPENDICES

Appendix I: Letter for Research Questionnaire

Dear Respondents,

I am **AUGUSTINE CAMILIUS ASSEY**, currently, a student at **INSTITUTE OF ACCOUNTANCY ARUSHA**, pursuing Masters of Business in Leadership and Governance. The completion of this master's program requires undertaking research in the area of interest. I am doing research on: **IMPACT OF STRATEGIC LEADERSHIP ON THE PERFORMANCE OF MANUFACTURING FIRMS IN TANZANIA: A CASE OF KILIMANJARO INTERNATIONAL LEATHER INDUSTRY.**

Please, kindly assist me in answering the questions that follow by ticking the appropriate option.

Please answer all questions freely but objectively. The information you provide is for academic purposes only and will be treated with the strictest confidentiality.

Thank you for your cooperation

Appendix II: Research Questionnaire

PART ONE: DEMOGRAPHIC INFORMATION

(Tick the appropriate answer)

Gender	Male	<input type="checkbox"/>
	Female	<input type="checkbox"/>
Age	Less 35 Years	<input type="checkbox"/>
	35-44 Years	<input type="checkbox"/>
	45 Years and above	<input type="checkbox"/>
Education Level	Primary Education	<input type="checkbox"/>
	Secondary Education	<input type="checkbox"/>
	College Education	<input type="checkbox"/>
Duration at the Organization	Below 5 years	<input type="checkbox"/>
	5-10 years	<input type="checkbox"/>
	Above 10 years	<input type="checkbox"/>

PART TWO: ACADEMIC RESEARCH QUESTIONS (Tick the appropriate answer)

SECTION A

The following part seeks to assess the impact of human capital development on the performance of manufacturing firms in Tanzania

1=Strongly Disagree 2= Disagree 3=Neutral 4= Agree 5=Strongly Disagree

Human capital development	Options				
	1	2	3	4	5
The firm accumulates, combines and exploits the human capital resources to develop a competitive advantage and create value					
The firm has employed effective training and development programs that contribute positively to the firm's efforts to form core competencies					
The investment in human capital is adequate to produce the expanding knowledge necessary for strategic success					
There is more learning from failure than from success					
Leaders are involved in the learning experience					
Downsizing leads to a reduction in the level of investment in training and the development of human capital.					

SECTION B

The following part seeks to determine the impact of strategic direction on the performance of manufacturing firms in Tanzania

1=Strongly Disagree 2= Disagree 3=Neutral 4= Agree 5=Strongly Disagree

Strategic direction	Options				
	1	2	3	4	5
The vision/mission/strategic intent is clearly defined and understood by the staff					
CEO's personality is inclined towards initiation of strategic change and performance effects of strategic change implementation					
Management facilitates employees' meaning making of changes to achieve the envisioned future through communication					
The CEO and the top management team are too committed to the status quo, avoiding any perceived risky actions					
Leaders are good models to employees					
Employees are encouraged to use standards procedures					
Leaders communicate clearly the organisation's goals					


SECTION C

The following part seeks to evaluate the impact of culture and value on the performance of manufacturing firms in Tanzania

1=Strongly Disagree 2= Disagree 3=Neutral 4= Agree 5=Strongly Disagree

Culture and value	Options				
	1	2	3	4	5
Practices are tailored into a culture that complements the firm's chosen strategy					
Managers do not coordinate the innovative work of others, energise the culture and foster alignments with the vision and mission of the firm					
The culture in the firm is sensitive to ethical considerations					
The firm's culture encourages the pursuit of entrepreneurial opportunities, which is a vital source of growth and innovation					
The firm has a unique culture that is difficult to imitate and encourages strategic thinking					
Managers are vigilant when people fall short of targets, as goal-setting motivates unethical behaviour when people fall short of a goal.					
Positive moral leadership encourage ethical practices that shape the firm's decision-making process and integrate into the firm's culture					

Appendix III: Data Collection Letter from IAA

**Institute of Accountancy Arusha**
P.O. Box 2748, Njiru Hill, Arusha, Tanzania
Telephone: +255 27 2870332 Mobile: +255 763 462109 Tlx: 50009 IAA TZ
Fax: +255 27 2870234 Email: iaa@iaa.ac.tz Website: www.iaa.ac.tz

Ref. No.: MBA-LG/0035/2021 **30th September 2022**

.....
P.O BOX.....
.....

Dear Sir/Madam,

RE : REQUEST FOR DATA COLLECTION

The purpose of this letter is to introduce to you **Mr. Augustine C. Assey** who is our student pursuing Masters of Business Administration in Leadership and Governance with registration number (MBA-LG/0035/2021). Currently, the aforementioned student is conducting a study on **"IMPACT OF STRATEGIC LEADERSHIP ON THE PERFORMANCE OF MANUFACTURING FIRMS IN TANZANIA: A CASE STUDY OF KILIMANJARO INTERNATIONAL LEATHER INDUSTRY"**. We would like to highlight here that this study is part of the requirement for the award of the above mentioned programme of study.

We therefore request you to extend to the above-mentioned student of our Institute any help that may facilitate him to achieve study objectives. We further request permission for him to see and talk to the staff of your Institution in connection with his study. The period for this request is granted from September to end of November 2022.

Thank you for your continuing support.

Yours Sincerely,
INSTITUTE OF ACCOUNTANCY ARUSHA


Michael Abduel
FOR: RECTOR

**DIRECTOR OF POSTGRADUATE STUDIES, RESEARCH
& CONSULTANCY
INSTITUTE OF ACCOUNTANCY ARUSHA
P.O. BOX 2748 ARUSHA TANZANIA
TEL: 254 9412; FAX: 104 9421**

All Communications to be addressed to the Rector

Appendix IV: Timetable of Activities

Activities	2022					
	Mar	Apr	May	Jun	Aug	Nov
Title Identification	■					
Reviewing Literatures	■	■				
Research Proposal Writing		■	■			
Research Proposal Defence			■			
Data collection.				■		
Data analysis					■	
Research Report Writing					■	
Defence of Research Report						■
Final Report Corrections						■
Submission of Dissertation						■

Source; Researcher (2022)

Appendix V: Research Budget

Input description	Unit of measure	Cost @ unit	No. of Units	Total
Per diem for student	Day	20,000	10	200,000
Transport	Days	15,000	10	150,000
Stationary	ream of paper	8,000	5	40,000
	printing toner	35,000	1	35,000
	Printing			400,000
	Folders	1,000	2	2,000
	A bag	20,000	1	20,000
Labour charge	Day	20,000	10	200,000
TOTAL				1,047,000

Source; Researcher (2022)

PLAGIARISM REPORT

IMPACT OF STRATEGIC LEADERSHIP ON THE PERFORMANCE OF MANUFACTURING FIRMS IN TANZANIA: A CASE OF KILIMANJARO INTERNATIONAL LEATHER INDUSTRY

ORIGINALITY REPORT

28%	20%	10%	
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Eiffel Corporation Student Paper	8%
2	www.lajournals.org Internet Source	5%
3	erepository.uonbi.ac.ke Internet Source	5%
4	Submitted to Kenyatta University Student Paper	2%
5	www.researchgate.net Internet Source	2%
6	chss.uonbi.ac.ke Internet Source	2%
7	www.paperpublications.org Internet Source	2%
8	Submitted to University Der Es Salaam Student Paper	2%

[dspace.iaa.ac.tz:8080](https://dspace.iaa.ac.tz/8080)

