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Effect of Strategic Leadership on the Performance of SMEs in Rwanda: A Case Study of Imirasire Basket Weaving Cooperative of Mayange

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Abstract:
This study was conducted with particular focus on effect of strategic leadership on performance of SMEs in Rwanda. The study further examined the effect of driving knowledge management culture on performance , the effect of leading and managing change on performance , the effect of involving people in development on performance and established how enabling leadership at all levels contributes to performance of SMEs.

The target population for the study was 92 people in two categories. 10 people were interviewed using the purposive driven technique and 82 using random sampling technique and a total of 92 questionnaires collected using the drop and pick method. Data was treated and validated and resulting Data was analyzed for descriptive statistics using SPSS with specific attention to central tendencies.

The significance of relationship between strategic leadership and the performance of SMEs was found at 0.01 following a correlation between driving knowledge management and performance of .523 (**), with a significance value of .000, correlation between leading and managing change and performance of .326 (**) with a significance value of .003.

In conclusion the study argues that strategic leadership technique involving more leadership at all staff levels is directly proportional to the performance of the SMEs.

Keywords: Strategic Leadership, Small and Medium- sized Enterprises, Performance

1. General Introduction

Improved structural performance is determined largely by the choices leaders make (Daft, 2011 as cited in Lear, 2012). Strategic leadership is one of the most critical issues facing organizations today. The importance of competent leadership for planning and execution of a significant organization change effort cannot be overemphasized (Narayanan & Zane, 2009). As individual predestination is determined by his DNA, so, the predestination of every organization small business inclusive is contingent on its genetic code for growth and survival (Glaser, 2006).

Identification of strategic leadership linking leadership effectiveness and structural effectiveness in a new paradigm of strategic leadership stands justified (Sanders and Davey 2011: 41).

The dynamic cognitive and behavioral complexity of the causal chain of mediators and moderators suggests the reason for the difficulty in attaining and maintaining leadership effectiveness (Sanders & Davey, 2011).

Strategic leadership entails the creation of an environment that will support the achievement of organizational goals and the role of monitoring the external environment to take advantage of opportunities and to defend against threats (Gortner et al., 1987 as cited in Lear, 2012).

Goleman et al. (2002) argue that to be a strategic leader in a successful organization, there is need to ensure that all participants are aligned with a common vision, with shared objectives and goals to which people can be dedicated. This alignment means that everyone has been convinced that they make a difference to the success of the organization (Mungonge, 2007).

Hitt et al. (2005) believe that expressions of vision and mission are essential characteristics of strategic leadership. What it means is that strategic leadership discards discredited systems and desires instead maximize employee support and cooperation in proactive ways, so that together they can assist an organization to achieve its perceived vision. This, however, requires a methodology that is pragmatic, efficient and suitable throughout the organization. In other words, no matter how inspiring a vision strategic leadership may have of their organization, such visions can only be translated into reality by the action of the people.

Strategic leadership being ability to influence others in the organisation to voluntarily make day-to-day decisions that lead to the organization's long-term growth and survival, and maintain its short-term financial health (Rowe & Nejad, 2009). The main aspects of strategic leadership are shared values and a clear vision, both of which enable and allow employees to make decisions with minimal formal monitoring or control mechanisms (Nyabdza, 2008). With this accomplished, a leader will have more time and a greater

capacity to focus on other ad hoc issues such as adapting the vision to a changing business environment. In addition, strategic leadership will incorporate visionary and managerial leadership by simultaneously allowing for risk taking and rationality.

Providing strategic leadership is a critical role for the modern day manager and many other senior executives (Rowe, 2001: 86). Strategic leadership sets the direction. Hierarchical, autocratic leadership is being replaced by a democratic "synergy" style leadership with team leadership assuming an executive role (Hewson, 1997). The most accurate indicator of future success in today's major companies is the sum of competencies of the entire executive team, as opposed to those of the chief executive only.

2. Statement of Problem

Strategic leadership has been found to be a major determinant in the growth of enterprises. This is because investment in leadership, culture and innovation enhance the productive capacity, competencies to engage in a more enterprising, innovative and flexible manner in a changing workplace environment (Becker, 1964).

SMEs in Rwanda play an important role in the socio-economic development of the country. Their significance can be seen in terms of contribution towards economic growth, employment creation, poverty reduction and development of an industrial base. In spite of the increasing participation of the Rwanda government and other small enterprise training agencies in the country's informal sector, their leadership programs have had little or no impact on the change of attitude and acquisition of entrepreneurial skills to target beneficiaries (Mugabo, 2011). The sector is faced with many challenges which make over 90% of the SMEs not progress beyond their first 6 months. (Mugabo, 2011).

Few studies have also been done on the relationship between strategic leadership and performance of SMEs in Rwanda. Several studies (Bozire and Nzaramba, 2013) focus on factors that affect entrepreneurship growth and the performance of SMEs and none on how strategic leadership affects performance of SMEs, a reason for this study.

3. Objectives of the Study

3.1. General Objective
To assess the impact of strategic leadership on the performance of SMEs

3.2. Specific Objectives
1. To assess the effect of driving knowledge management culture on performance of SMEs
2. To examine the effect of leading and managing change on performance of SMEs
3. To assess the effect of involving people in development on performance of SMEs
4. To establish how enabling leadership at all levels contributes to performance of SMEs

3.3. Research Questions
1. How does driving knowledge management culture affect the performance of SMEs?
2. How does leading and managing change affect the performance of SMEs?
3. What is the effect of involving people in development on performance of SMEs?
4. How does enabling leadership at all levels contribute to performance of SMEs?

4. Literature Review

4.1. The Contingency Theory
However, Fiedler's contingency theory postulates that there is no single best way for managers to lead (Bolden, 2003). Situations will create different leadership style requirements for a manager. (Sanders & Davey, 2011) add that the solution to a managerial situation is contingent on the factors that impinge on the situation. For example, in a highly routine environment where repetitive tasks are the norm, a relatively directive leadership style may result in the best performance, however, in a dynamic environment a more flexible, participative style may be required (Sanders & Davey, 2011).

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4.2. Leading and Managing Change and its Effect on Performance of SMEs

Leadership focuses on the future and the possibility it holds. The job of leadership is to be a visionary, to look ahead and to see implications and meaning that may be distinct from what we have learned in the past and what we know in the present. Drawing from conventional literature, creating the long-term direction for the organization in relation to organizational change (strategic thinking about change) is viewed as the responsibility of the strategic decision makers and the senior managers in an organization (Koontz &Weihrich 1988). These managers have to ensure that an organizational change strategy is created that will ensure sustainable competitive advantage for the organization (Ackerman, 2014).

4.3. Driving Knowledge Management Culture and Performance of SMEs

Knowledge management means the process of acquiring, storing, understanding, sharing, implementing knowledge, and these actions are taken in the organizational learning process with regard to the culture and strategies of the organizations (Kiessling, et al 2009).On the other hand, Bhatti and Qureshi (2007) stated that knowledge management means efforts to explore the tacit and explicit knowledge of individuals, groups, and organizations and to convert this treasure into organizational assets so that individuals and managers can use it in various levels of decision making. Knowledge management is a systematic and integrated management strategy that develops, transfers, transmits, stores, and implements knowledge so that it can improve efficiency and effectiveness of the organization's manpower (Dahiya et al., 2012).

4.4. How Involving People in Development Affects Performance of SMEs

Organisations need to ensure that they have a quality workforce through continuous development and improvement programmes, whether on-the-job or off-the job, specially looking at both its potential and shortcomings. This means that employee development must not be beleaguered by obstacles, as is often the case. What is salient, as Thite (2004) stresses, is that there is need to manage people in the 'new' economy, targeting human resources practices that persuade people to unlock their knowledge power.

Employees must be successfully nurtured and managed for long-term effectiveness. Mestre*et al* (2007) propound that any organisation, whatever its business, is only as good as its well-trained workforce and, in this regard, Aristotle philosophized that *'excellence is not an act, but a habit'*. Potentially, it is felt that there are three good and valid reasons akin to the importance of organisational training; assisting communication, positively motivating and playing a pivotal role to nurture dormant skills.

4.5. How Enabling Leadership at all Levels Contributes to Performance of SMEs

Dynamics of SMEs organization and management is generally studied but the discussion of relations leadership/management is not deeply explored (Charreaux, 2002). SMEs occupy an crucial place in the economy of many countries especially developing like Rwanda and we are almost agreed on the benefits of good leadership for the economy in general and the company in particular and conscious about the relationship between mechanisms of corporate governance and performance.

In considering the different approaches to leadership, we need to realize that previously, no real distinction had been made between leading and managing (Kets de Vries& and Korotov, 2010). A leader was anyone in a position of power and authority. However, given the changing world we live in, a further distinction has been made between two forms of leadership: transactional and transformational (Bass, 1985) The transactional form of leadership can be viewed as an exchange relationship between two parties to accomplish a set of specific tasks through a set of requirements, conditions and rewards (or punishment). This is the equivalent to managing the status quo of organizational life.

5. Methodology

5.1. Study Area Selection

The study was carried out in Mayange, Bugesera district of Rwanda. This area of research is located in Eastern Province, about 20 km south of Kigali city. This area was selected because it is focus of public investment by both government and development partners with an objective of developing strategic leadership for self-sustenance of the local people, thus achieving the MDGs.

5.2. Study Design and Variables

Case study design for the study was selected to make probes in that given situation, an in depth and detail fashion thus seeking and gathering a wealth of descriptive and explanatory information (Amin, 2005).

The quantitative approach was adopted to examine the contribution of each of the dimensions of strategic leadership on performance of SMEs.

The independent variable is strategic leadership with components of leading and managing change, driving knowledge management and culture, involving people in development and improvement and enabling leadership at all levels. The dependent variable is the performance of SMEs. Intervening variables are the favourable government policy and favourable microeconomic policies.

5.3. Study Population

The total population of the study comprised of immidiate beneficiaries and managers of Imirasire Basket Weaving Cooperative. The study comprised a population of 120 members, which is the total population of the cooperative members.

5.4. Sample Size and Sampling Techniques

Two sampling techniques were used to interview the 120 total target population in two categories.   Ten (10) cooperative and (82) members of the cooperatives were sampled using the Census (purposive driven technique; Amin 2005) and simple Random sampling techniques respectively and interviewed.

5.5. Data Collection and Validation

Data was collected using the questionnaires methods to allow respondents to answer research questions freely at their convenience and returning them to allow flexibility with their work responsibility and time (Oso &Onen 2008). Secondary data was obtained through conducting interviews additional to the data collected through questionnaires as defined by Amin (2005). . It also helped the researcher to ask more complex questions and it took into consideration body language. It also provided probing in case responses were not clear.

Validity was ensured by comparing content with other tests that were done on entrepreneurship skills development .Validity means that correct procedures have been applied to find answers to a question (Catherine, 2002).Validity was established through the average Content Validity Index (CVI) formula. This is a tool used to gauge the content validity of items on an empirical measure. It was applied using the formula shown below;

CVI =   Number of items declared valid*100
                    Total number of items

5.6. Data Management and Analysis

Permission to collect Data was sought from the cooperative authorities to allow access to the respondents of the research and other research materials of relevance to our interest.

5.6.1. Qualitative Data Analysis

Qualitative data was obtained by conducting interviews with key informants using interview guides and open ended questionnaires. Qualitative analysis involves categorizing data and then attaching it to the appropriate categories. The analysis of the interview responses were edited according to the themes developed in the objectives of the study. The data from open ended questionnaires and interview responses was analyzed by listing all the respondents' views under each question category. Where necessary, quotes from respondents were used to strengthen the interpretation.

5.6.2. Quantitative Data Analysis

Quantitative data was collected from close ended questions. Quantitative data analysis process involved; editing, coding classification and presentation in form of tables and graphs so that data was liable for analysis. The analysis entailed computation of descriptive statistics, through which relationships supporting or conflicting with the hypotheses were subjected to statistical tests to determine the extent to which data will indicate any conclusions (Kothari, 2004).

The data collected through questionnaires was analyzed using Statistical Package for Social Sciences (SPSS) because this is the most recommendable package for analyzing social sciences research data (Sekaran, 2003). The statistics focussed on the measures of central tendencies (mean and standard deviation) and relational statistics to measure the direction, form and degree of the relationship (regression and correlation) between strategic leadership and SME performance, which was provided by SPSS.

6. Research Findings and Discussion

6.1. Driving Knowledge Management Culture in Imirasire Cooperative

The first objective of the study was to establish the influence of driving knowledge management culture on strategy implementation in Imirasire Cooperative.

Respondents were required to respond to a set of questions. The findings are presented below;

Statements	Mean	Std. Deviation	N
Organization supports knowledge and information sharing	2.15	0.80	86
Company leaders support use of technology in production	1.93	0.69	86
The company has clearly defined work requirements for staff	2.27	1.04	86
Company values, mission and objectives are clear spelt out	2.15	1.03	86
The leaders are open about company profits and losses	1.35	1.08	86
Employees are given autonomy to make decisions	1.53	1.37	86
Company is intent on improving staff competences and skills	1.87	1.33	86
There is continuous communication with my subordinates	2.42	1.26	86
Leaders involve employees in decision making	2.98	1.43	86
Leaders implement new approaches in tracking client needs	3.15	1.80	86
Leaders take advantage of opportunities on the market	2.93	0.69	86
Leaders take personal responsibility for all actions	1.85	0.70	86
I emphasize good interpersonal relations	2.27	1.04	86

Table 1: How driving knowledge management culture is done in Imirasire Cooperative

Results of the study indicate that Imirasire Cooperative is flexible and supports knowledge sharing as indicated by Mean of 2.15. This agrees with earlier findings by Jabeen et al, (2014) who emphasized that knowledge creation involves the utilization of internal and external resources of an organization to generate new knowledge for achieving the organizational goals.

Staff and members agreed that the organizational culture promotes a climate of staff sharing their innovative skills. Most respondents were not sure on whether the company supports use of technology as indicated by the mean of 1.93. They argued that they still rely on the traditional methods of weaving baskets and have not witnessed the use of technology in making of baskets. Earlier findings by Moodysson (2008) indicate that brainstorming methods and conducting research to make the best use of the knowledge assets of customers, suppliers and staffs are strategies applied in many prosperous SMEs for creating knowledge.

The statement that Imirasire leaders emphasize learning and knowledge sharing was largely accepted by majority of respondents as indicated by the Mean of 2.85. From the interviews, the respondents agreed that since the cooperative specializes in making baskets, placemats, coasters, (clothes and bags being the new incorporated products), there is bound to be sharing of knowledge. This confirms earlier findings by Darroch (2005) who said learning and knowledge sharing is a coordinating mechanism to improve innovation and overall firm performance.

The company has clearly defined work requirements for staff as seen from the mean score of 2.27. This is because the objectives are clearly defined. Majority respondents (mean=2.15) also agreed with the opinion that company values, mission and objectives are clearly spelt out on whether the leaders are open about company profits and losses, majority disagreed (mean=1.35). From the interviews, most respondents indicated that that that they are always told about losses but not profits as seen from the following view;

> "… sometimes it is difficult to tell whether or not we are making profits. There are months when we work and make huge sales but our bosses still tell us that we made losses. This is sometimes demotivating."

Earlier findings by Ghobadian & Gallear (1997) indicate that in SMEs, there is always disregard for the leadership hierarchy since managers are in most cases the owners, which imply that decision making is centralized, and fewer layers of management.

The opinion that employees are given autonomy to make decisions received a mean score of 1.53, indicating that most respondents are not given autonomy to take decisions. According to Chaves (2008), the decision-making bodies of SMEs have a low level of member participation, also known as membership apathy, a reason for their poor performance.

Most respondents agreed that they always employ cost effectiveness in their businesses as indicated by the mean score of 2.73. On whether company is intent on increasing staff competences and skills, most respondents were not sure (mean=1.87). Staff agreed that there is continuous communication with subordinates (mean=2.87). Most respondents agreed that strategic communication influences strategic implementation. Hitt, Haynes and Serpa (2010) noted that a number of strategic organizational leaders have failed to deal effectively with environmental turbulence. The failures in most organizations were observed to be due to lack of strategic leadership.

Majority of the respondents (mean=2.98) agreed that employees are involved in decision making of the company. They argued that the objective of empowerment is quite simply to tap the creative and intellectual energy of everyone in the organisation, not just those in the executive suite. The idea is to provide everyone with the responsibility and the resources to display real leadership within their own individual spheres of competence. This confirms earlier findings by Theodore (2014) that strategic leaders communicate their vision to their managers and employees and remain in continuous and uninterrupted contact with the former.

The opinion that I implement new approaches in tracking client needs got a mean of 3.15, indicating that this is done by most respondents. They argued that businesses are now so complex and difficult, the survival for organisations so hazardous in an environment increasingly unpredictable, competitive and fraught with danger, that their continued existence depends on the day-to-day mobilization of all intelligence.

> "Strategic leaders are able to think outside the box. They are able to see the big picture and have the skills to articulate this vision into daily business activities and functional goal setting."

This agrees with earlier findings by Hitt& Ireland (2002) who asserts that strategic leaders understand their market and their resources, and have a clear vision as well as highly defined business goals. Hitt & Ireland (2002) agree and state that these leaders think strategically, maintain flexibility, and are open to change. They envision others and work along with them in order to create a viable future.

I take advantage of opportunities on the market got a mean score of 2.93, indicating that most respondents are aware of the changing role of SMEs. On whether leaders take personal responsibility for all actions, most respondents were not sure (mean=1.85). Senior executives complain that middle managers fail to take the necessary steps to implement strategies. The commitment and understanding are poor about what needs to be done. Likewise, Kirimi and Minja (2010) observed that organizations fail when the leadership fails to sell their vision for the organization to its followers, have not convinced followers why they should be passionate, and which they fail to make employees loyal to the organizational agenda.

However, majority (mean=2.22) agreed that leaders emphasize good interpersonal relations. Positive relationships at work are regarded as stimulators of positive attitude to work and employee well-being, and restraints of employee overloading (Ragins and Dutton, 2007; Grant and Parker, 2009). They provide employees with a higher sense of meaningfulness, safety and availability (Kahn, 1998

6.2. Correlation between Driving Knowledge Management Culture and performance of Imirasire Cooperative

A correlation analysis was run to establish the relationship between Driving Knowledge Management Culture and performance of Imirasire Cooperative. Results are presented in the table below.

		Knowledge Management Culture	Performance
Driving Knowledge Management Culture	Pearson Correlation	1	.523**
	Sig. (2-tailed))		
	N	86	86
Performance	Pearson Correlation	.523**	1
	Sig. (2-tailed)	.000	
	N	86	86

Table 2: Correlation between knowledge management culture and performance of Imirasire Cooperative
**. Correlation is significant at the 0.01 level (2-tailed).

The study findings revealed that there is a positive significant relationship between Driving Knowledge Management Culture and performance of Imirasire Cooperative based on the obtained correlation coefficient of .523 (**), with a significance value of .000. Therefore, if Imirasire Cooperative fully implements strategic leadership procedures, then it will be able to achieve performance.

This agrees with earlier findings by Denison, Leif and Ward (2004) who reported a strong positive relationship between knowledge management culture and organizational performance. Similar results as Denison et al (2004) were found in Russia by Fey and Denison (2003) who found a positive relationship between organizational cultural traits and performance in Russian firms.

6.3. Leading and Managing Change in Imirasire Cooperative

The second objective of the study was to establish the influence of Leading and Managing Change on strategy implementation in Imirasire Cooperative. Respondents were required to respond to set questions and the results are presented below;

Statements	Mean	Std. Deviation	N
Changes are made in consultation with all stakeholders	1.15	0.80	86
Leaders take the lead in implementing change in the organization	3.93	0.69	86
Leaders take responsibility for the changes	2.85	0.70	86
I maintain constant communication about the changes	2.27	1.04	86
Company leaders lead by example	2.15	1.03	86
Company identifies change or culture ambassadors	2.35	1.08	86
Members are trained and motivated to embrace the change	1.53	0.77	86
There is constant assessment of the change impact	1.74	1.38	86
Leaders examine market and competitive realities	2.87	1.33	86
Leaders Identify and discuss crises, potential crises	2.42	1.26	86
Organization uses vision, mission, business plan; SWOT analysis	1.98	1.43	86
Leaders communicate the Vision of the company	2.15	0.80	86
Leaders provide accountability for their actions	1.93	0.69	86

Table 3: Leading and Managing Change in Imirasire Cooperative

The results of the study showed that majority disagreed that leaders take decisions in consultation with all stakeholders (mean=1.15). Employees have limited involvement in goal setting relevant to their area of expertise or responsibility. Respondents reported not understanding the changes they were expected to make, and others said they didn't agree with the changes.

This agrees with earlier findings by Lear, (2012) who indicated that despite the benefits of strategic leadership, many organisations still implement structures or routines that constrain and discourage strategic leadership. Rowe (2001) adds that the continued destruction of shareholder wealth by organisations suggests a lack of strategic leadership. This prevalence of managerial leadership and the lack of strategic leadership is one of the primary issues facing modern organisations. Unless board members, CEOs and top management teams understand this issue, and the difference between managerial, visionary and strategic leaders, the problem will persist (Rowe, 2001: 82).

Most respondents agreed that leaders take the lead in implementing change in the organization as indicated by the mean score of 3.93. The top leaders engage people throughout the company at a variety of levels. They convened meetings where large groups are given the news and invited to ask how the company-wide shift would affect them. Executives follow this with function-wide meetings where people learn, for example, about the prospective impact on finance or human resources.

Imirasire Cooperative Society also offers a version of informal conversations called "PIE chats" (PIE stood for performance, innovation, and execution). Finally, an internal trade fair was planned to showcase what various teams were doing to make the company more digital. This multifaceted and ongoing communications effort keeps the message alive, giving every employee an understanding of the change and a stake in the outcome.

This agree with earlier findings by Ireland and Hitt (2002) who argued that in the global business environment today, it is only organisations with effective leadership practices that can help to enhance performance since they would be able to bring about change in the turbulent business environment.

There was also a general agreement that leaders take responsibility for the changes (mean=2.85). Leaders also maintain constant communication about the changes (mean=2.27) in the organization. This agrees with earlier findings by Daft (2011) who asserts that superior organisational performance is determined largely by the choices leaders make and not luck.

On whether company leaders lead by example, most respondents agreed (mean=2.15). The organisation identifies change or culture ambassadors (mean=2.35). Change or culture ambassadors know how to live the change the organization is making. They serve as both exemplars and communicators, spreading the word about why change is important. Earlier findings by Rowe (2001) indicate that providing strategic leadership is a critical role for the modern day manager and many other senior executives. Serfontein (2009: 56) adds that strategic leadership presumes visionary leadership on the part of those with the willingness to take risks

Members are not trained and motivated to embrace the change (mean=1.53). Respondents said that their leaders don't spend time with people at the frontline leadership (supervisory) level, asking for their input and engaging them in frank discussions. Majority (1.74) were not sure that there is constant assessment of the change impact while there was agreement that leaders examine market and competitive realities (2.87). They argued that leaders provide evidence from outside the organization that change is necessary. This agrees with earlier findings by Mugabo

(2011) that despite the organization's emphasis on strategic leadership development with some skills development training, the cooperative still suffers inadequate skills and technology, lack of capacity building, limited access to information, inaccessibility to financial services and lack of ready market for their products.

Even within the SME sector itself; according Kotey&Folker (2007), there are differences in attitude to training which can be attributed to firm size and ownership. By examining reasons for small business failure, Everett & Watson (1997) suggest that there are two main causes for this phenomenon: [1] inadequate capital and [2] a deficiency of appropriate human resource skills.

Results in the table show that leaders Identify and discuss crises, potential crises (mean=2.42). On whether organization uses vision, mission, business plan and SWOT analysis, most were not sure (mean=1.97). However, staff agreed that leaders communicate the Vision of the company (mean=2.15). Most respondents were also not sure leaders provide accountability for their actions. Buchanan and McCalman (1989) as cited in Zain and Cain (2013) say "the management of change is one of the most vital sets of management skills raising some of the most critical organizational issues".

This view is supported by Paton and McCalman (2002) who argue that managing change is about handling the complexities of the journey. Buchanan, Claydon and Doyle (1989) concur, suggesting "the management of continuing change is now more significant than the management of discrete projects".

6.4. Relationship between Leading and Managing Change and the Performance of Imirasire Cooperative
In the effort to establish a relationship between Leading and Managing Change and the performance of Imirasire Cooperative, a correlation analysis was run. Results are presented in the table below.

		Leading and Managing Change	**Performance**
Leading and Managing Change	Pearson Correlation	3	.326**
	Sig. (2-tailed))		.003
	N	86	86
Performance	Pearson Correlation	.326**	1
	Sig. (2-tailed)	.003	
	N	86	86

Table 4: Correlations between leading and managing change and the performance of Imirasire Cooperative
**. Correlation is significant at the 0.03 level (2-tailed)

It was revealed that there is a positive significant relationship between Leading and Managing Change and the performance of Imirasire Cooperative. This is based on the obtained correlation coefficient of .326 (**) with a significance value of .003. This explains that in a situation where Leading and Managing Change is effectively followed, then performance will effectively take place. This agrees with earlier findings by Rejas, Ponce, Almonte and Ponte (2006) who found that change management had a significant positive effect on performance. Similarly, Yang (2008) undertook a survey study in SMEs in Taiwan and the findings showed that change management leadership was significantly positively related to total business performance.

6.5. How People are Involved in Development in Imirasire Cooperative
The third objective of the study was to establish the influence of involving people in development on strategy implementation in Imirasire Cooperative.

Statements	Mean	Std. Deviation	N
Company mentors staff on performance	2.93	0.69	86
Leaders coach and train staff	1.85	0.70	86
The leaders assess staff performance	1.27	1.04	86
Company empowers staff to take decisions	1.15	1.03	86
Enter into negotiations with potential partners	2.35	1.08	86
Staff share their views about organization	3.53	1.37	86
There is recognition for contributions by support functions	1.87	1.33	86
Company pursues opportunities it perceives as valuable	2.15	0.80	86
We have stronger ties with all business stakeholders	2.93	0.69	86
Uses social networks to gain access to resources	2.85	0.70	86
stakeholders are involved in generation of new ideas	1.90	0.57	86
We have adequate time to exchange ideas	1.65	0.57	86
We learn from other cooperatives	3.00	1.20	86
We are not afraid to take bold decisions to pursue opportunities	2.96	0.75	86

Table 5: How people are involved in development in Imirasire Cooperative

There is a general agreement that company mentors staff on performance (mean=2.93). Most respondents agreed that their leaders encourage employees to think about what they'd most like to develop with the input of a more senior staff member. This agrees with earlier findings by Nyabdza (2008) who says the main aspects of strategic leadership are shared values and a clear vision, both of which enable and allow employees to make decisions with minimal formal monitoring or control mechanisms.

Leaders also do not offer adequate coaching and training staff (mean=1.85). Respondents said this means less experienced employees don't get valuable feedback, insight and support, while passing down wisdom and institutional knowledge. This agrees with earlier findings by Mugabo (2011) who asserts that many SMEs in Rwanda suffer from lack of technical and business skills, which are components of strategic leadership.

However, majority of the respondents disagreed that the leaders assess staff performance as indicated by the mean score of 1.27. Many respondents rated their organization as weak when it came to engaging in a performance assessment a part of the organization's culture. They argued that the assessment method doesn't give employees detailed feedback on what they need to improve unless the manager provides detailed comments. And that it is harder for managers to evaluate in a consistent way since the description tends to be high-level. This agrees with earlier findings by Kirimi and Minja (2010) who observed that organizations fail when the leadership fails to sell their vision for the organization to its followers, have not convinced followers why they should be passionate, and which they fail to make employees loyal to the organizational agenda.

Respondents also were not sure on the opinion company empowers staff to take decisions (mean=1.13). Respondents argued that often times, they are told to always consult their leaders before taking any decision. This, they said, disempowers them. They said managers pay lip service to employee empowerment, but do not really believe in its power. Earlier findings by Jooste and Fourie (2009) indicate that there are many organizations which have various strategies but due to due to failure to empower their staff, these strategies do not generate the fruitful results.

This is further supported by Kiggundu (1988), Ndongo (1999) and Ugwegbu, (2001), who assert that in African organizations, this tendency seems stronger because of deprivation, limited opportunities (i.e., fewer organizations), authoritarian characteristics of executive positions established through cultural and colonial legacies, social and political networks which tend to be easier at the strategic apex level, conflict arising from aggressive power struggles, and the appeal of the strategic level and opportunism .

There was a general agreement that leaders enter into negotiations with potential partners about how to conduct business (mean=2.35) while staff also share their views with their leaders about the organization (mean=3.53). Rowe &Nejad (2009) contend that visionary leaders are primarily future oriented, proactive and risk taking. These leaders base their decisions and actions on their beliefs and values, and try to share their understanding of a desired vision with others in the organization.

On the opinion that there is recognition for contributions by support functions, majority were not sure (mean=1.87). Respondents said staff nominate individuals they feel have shown exceptional spirit throughout their years of service, distinguished achievement in their career, and involvement in the community but their leaders take long to recognize them and give them awards. Rowe, (2001) indicates that the prevalence of managerial leadership and the lack of strategic leadership is one of the primary issues facing modern organisations. Unless board members, CEOs and top management teams understand this issue, and the difference between managerial, visionary and strategic leaders, the problem will persist.

Company pursues opportunities it perceives as valuable (mean=2.15). Company also has stronger ties with all business stakeholders (mean=2.93). Rowe (2001) examines several successful companies and compares their strategic leadership capability and their organisational success. He examines these categories and maintains that a strategic leader will create more wealth than a combination of visionary leader and managerial leader.

Company uses social networks to gain access to resources (mean=2.85). It is tapping into customer information available in social networks, engaging with customers more quickly and robustly than their competitors, building business models that are flexible to accommodate and embrace customer change. Hitt& Ireland (2002) agree and state that these leaders think strategically, maintain flexibility, and are open to change. They envision others and work along with them in order to create a viable future for the company. The findings of the interviews support this ability of strategic leaders to think into the future.

Stakeholders are not involved in the generation of ideas (mean-=1.90). Jennings and Beaver (1997) argue that these are some of the factors which raise the question whether the change management models applied to large organizations can also be applied to SMEs given their different characteristics such as informality of organizational structure, their reporting relationships and processes, the availability of capital, the role of SMEs in the market place, the degree of management skills, and time and business planning.

Most respondents disagreed with the notion that there is adequate time to exchange and generate ideas about the cooperative (mean=1.65). They said their leaders are often in executive meetings are spare no time for discussion with the junior staff. There was a general agreement that Imirasire learns from other cooperatives on leadership strategies (mean=3.00) and the company leaders are not afraid to take decisions affecting the company (mean=2.96)

It was revealed that there is a positive significant relationship between Involving People in Development and performance of Imirasire Cooperative. This is based on the obtained correlation coefficient of .298 (**) with a significance value of .002. This explains that in a situation where Involving People in Development is effectively followed, then performance of Imirasire Cooperative will effectively take place.

Similar findings were revealed by a study undertaken by Koech and Namusonge (2012) in Kenya among state owned corporations showed that Involving People in Development was positively related to performance.

6.6. Enabling Leadership at All Levels and Performance of SMEs
The study also sought to establish how leadership at all levels in Imirasire is done. The results are presented below;

	Mean	Std. Deviation	N
With the leaders` guidance, we constantly pursue different work approaches to improve the company products	2.75	1.24	86
Company Workers are involved in the design of the implementation strategy	1.75	1.31	86
Leaders embrace knowledge sharing	3.02	1.11	86
Facilitate bottom-up communication	2.59	1.24	86
The company promotes team work	2.76	1.26	86
Staff are empowered to take decisions	1.09	1.12	86
Staff is motivated to work harder	1.81	1.24	86
senior managers are involved in the leadership competency identification process	2.63	1.22	86
Staff surveys are used to determine staff opinions	3.00	1.07	86
Leaders encourage staff on feedback	2.93	1.20	86
Leaders share with staff their goals for the company	3.43	0.90	86
Imirasire leaders lead by example	3.00	1.07	86

Table 6: Enabling Leadership at All Levels and Performance of SMEs

The findings in the above indicate there was a general agreement that with the leaders' guidance, respondents constantly pursue different work approaches to improve the company products (mean=2.75).A distributed view of leadership is on the rise in the organisation, shifting the focus from the traditional single leader to an intricate and complex web of leaders who possess a range of abilities and experiences necessary to ensure that the leadership function is carried out to the benefit of the wider organization. According to Ackerman (2014), successful strategic leaders gearevery activity towards aligning everyone towards the new direction, equipping the organization and its people with the required capabilities and skills, and sustaining the change through formal shifts in measurements and rewards and through leadership that is both supportive and steadfast as the change unfolds.

On the view that company workers are involved in the design of the implementation strategy, majority were not sure (mean=1.75), implying that there is a need for continuous mentoring and empowerment of staff. In Imirasire, the role of the board is nominal and is dominated by the family power. Thus, it is the leader who chooses the mechanisms of framing his decisions and not the external elements that require these mechanisms. This leader has multiples profiles which depend largely on his culture. Nonetheless, the very nature of SMEs presents some inherent disadvantages compared to LEs and the implementation and use of PMSs. Resources are usually limited in terms of finance, people, infrastructure and access to knowledge (Sharma et al., 2005).

Leaders embrace knowledge sharing (mean=3.02) and facilitate bottom-up communication (mean=2.59). The leaders lead by example as they are role models in the organization. They show the way things should be done. They provide information, support and challenge to their followers so that they can meet their own development needs. Study findings show that staff is not empowered to make decisions. This agrees with earlier findings by Freel (2000) who indicates that the mechanisms of governance of SMEs are primarily internal, since SMEs are generally not listed on the stock market and financial market regulator has no role. Even in SMEs limited company, the role of the board is nominal and is dominated by the family power. .

The company also promotes team work (mean=2.76). Leaders do much more than just come up with new ideas and approaches to problem solving. They lead because they attract followers and are able to achieve great things through the work of others. For this reason, a leadership development program effort needs to include the mentoring and the training of prospective leaders in how to coach others, how to create attractive performance goals, how to give performance feedback, motivate and inspire others to excellence, and how to build a team.

Staff is motivated to work harder (mean=1.81) while senior managers are involved in the leadership competency identification process (mean=2.63). Leaders create strong ties that fortify loyalty, trust, mutual respect, commitment and accountability, all necessary ingredients for interpersonal cooperation and effective teams, and better performance. Freel (2000) vigorously intimates that any lack of training becomes a major barrier to achieve effective levels of management skills within SMEs whilst Coleman (2004) asserts that 10 one in five employers believe that their workforce's skills are unmistakably inadequate.

Leaders are also involved in building networks (mean=3.00) while they also encourage staff to give feedback (mean=2.93). All managers build good working relationships with the people who can help them do their jobs. The number and breadth of people involved can be impressive such operational networks include not only direct reports and superiors but also peers within an operational unit, other internal players with the power to block or support a project, and key outsiders such as suppliers, distributors, and customers Leadership is becoming more enabling, participative and distributive in nature as opposed to remaining directive and performing. Leaders share with staff their goals for the company (mean=3.43) while they also lead by example (mean=3.00). The managers in Imirasire Cooperative are more concerned with sustaining cooperation within the existing network than with building relationships to face nonroutine or unforeseen challenges.

6.7. The Relationship between Enabling Leadership at all Levels and Performance of Imirasire
In finding out the relationship between Enabling Leadership at All Levels and Performance of Imirasire, the researcher performed a correlation analysis using SPSS. The findings are as below.
The results revealed a significant positive relationship between Enabling Leadership at All Levels and Performance of Imirasire, ($r = 0.722**$, Sig. = .012). This implies that if leadership is enabled at All Levels is in place, and Imirasire will perform and achieve its set targets.
Mishra (2012) reported that enabling leadership positively influenced performance and that, leadership influenced performance irrespective of what type of culture existed in the organisation.

6.8. The Relationship between Strategic leadership and the Performance of SMEs
In order to determine the relationship between strategic leadership and the performance of SMEs, regression analysis was measured basing on the four parameters; driving knowledge management culture, leading and managing change, involving people in development and enabling leadership at all levels. The findings are presented below;

Variables		knowledge management culture	leading and managing change	involving people in development	enabling leadership at all levels
Performance of SMES	Pearson Correlation	1.000	0.989**	0.023	1.000
	Significance	0.000	0.05	0.856	0.000
knowledge management	Pearson Correlation	1	.523**	1	.523**
	Significance	0.000	0.05	0.856	0.000
leading and managing change	Pearson Correlation	0.956	00.918**	0.050	0.956
	Significance	0.000		0.698	0.000
involving people in development	Pearson Correlation	0.989	** 1.000	-0.043	0.989
	Significance	0.000		0.735	0.000
enabling leadership at all levels	Pearson Correlation	0.050	0.050	1.000	0.050
	Significance	0.856	0.735	0.698	0.856
N.		86	86	86	86

Table 7: Coefficient Summary of the relationship between Strategic Leadership and Performance of SMEs
*** Correlation is significant at the 0.01 level (2-tailed)*

As can be observed from the table above, at the 0.01 level of significance, there were statistically significant relationship between strategic leadership and the performance of SMEs. Same was true for the relationship between driving knowledge management and performance of SMEs at 0.000 level of significance. Besides, the correlation between leading and managing change and performance at 0.000 level of significance was strong. So with better strategic leadership management, there is better SMEs performance.

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