LEADERSHIP FACTORS INFLUENCING THE PERFORMANCE OF AGRIBUSINESS FIRMS: A CASE OF FRIGOKEN LIMITED IN NAIROBI COUNTY

BY

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ABSTRACT

The purpose of this study was to analyze leadership factors that influence the performance of agribusiness firms in Nairobi County, specifically Frigoken Limited. The objectives of the study were to evaluate the influence of leadership behaviors, to determine the influence of leaders' motivational techniques, to determine the effects of leadership styles and to also examine the influence of leaders' decision making techniques that influence the performance of Agribusiness Firms in Nairobi; a case of Frigoken Ltd. The study was anchored on the following theories, The Fielder's Contingency Theory, Herzberg's Two Factor Theory, Transformational Theory, The Four factor theory and Resource Based theory. Data was collected from primary sources using structured questionnaires and secondary data from audited financial statements of the firm. The researcher used Statistical Package for Social Scientists (SPSS) to analyze data. Multiple regressions Analysis, Pearson coefficient of correlation were used to measure the relation between the dependent and the independent variables. The study found that leadership behavior was important in determining organization performance. Motivational techniques like pay/incentives, recognition, and promotion were found to be effective at improving employees' performance. Transformational leadership was found to be effective in ensuring organization performance. Leadership style displayed a sense of power and confidence. Leadership specified the importance of having a strong sense of purpose. Transformational leadership had an impact on organizational performance. Decision making techniques also contributed to the organizational performance. Majority of respondents were impartial that employees are part of the decision making process. Effective leadership that provided structure and organization to work or to the teams improved firm performance. Pay/ salaries were a major motivator for employees to perform better towards organization goals. Job security also motivated employees to work harder. The leadership styles used aimed at transforming the organization. The leaders put the interest of the organization first before theirs; leaders put more effort in ensuring the performance of the organization. Employees were not very much involved in organization decision making; the leaders made decisions independently. The study recommended that leaders in the organization should demonstrate on the kind of behavior represented in the organisation. Organization behavior should be part of organization culture. The organization should give financial rewards to the best performing employees in terms of bonuses and salary increment. The organization should adopt a democratic leadership style, which encourages more employees' participation. The leadership style should work towards the best interest of the organization. The leadership style should ensure that proper decisions made are for the best interest of the organization. Clear lines of communication should also be established during decision-making.