



INFLUENCE OF LEADERSHIP ON PERFORMANCE OF SMALL BUSINESSES IN TANZANIA: MEDIATING ROLE OF ENTERPRISE COMMUNICATION

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ABSTRACT

This research studied the influence of leadership on performance of small business in Tanzania: Mediating role of communication. A sample size comprised of 384 employee small business Proportionate stratified sampling and random sampling technique was applied to sample respondents. Bivariate correlations analysis was used to test association of the three study variables (leadership, performance and communication) while probability estimation was analysed using a confirmatory factor analysis. The study revealed that leadership positively influence performance ($\beta = 0.27, p < 0.01$) as well as communication ($\beta = 0.44, p < 0.01$). The results also showed that communication is positively influence performance ($\beta = 0.13, p < 0.05$). On mediating effect leadership has an indirect influence on performance ($\beta = 0.06$). The study concluded that communication acts as a mediator between Leadership and small business performance. The study recommends that leaders should consider effective communication as an essential component of its administration tactics and identify communication techniques that will enable employees interpret correctly message communicated by leaders so that desired performance can be attained.

Key words: Leadership, Performance, Small business, Communication, and Tanzania

Paper type: Research paper

Type of Review: Peer Review

1. INTRODUCTION

Leadership is the act of influencing people, so that their energies are utilised toward achieving the goals of the enterprise (Meraku, 2017). Also, it involves efforts of guiding others' behaviour in attaining specified objectives. Thus, dynamic leadership is crucial for continuity and survival of the firms functioning in the complex environment of the 21st century. Organisations operating in the 21st century are characterised by lack of reliable and dependable information, limited resources and capability, as well as growing customers' needs thus, dynamic and effective leadership is crucial to cope with demand of high changing and unpredictable business environment. On the other hand, performance refers to the degree to which organisations attain achievement while firm performance is the change of resources into productions by realising some outcomes. Thus, it can be said that performance enlightens the association amid minimal and effectual cost (economy) as well as among effectual cost and attained results (efficiency) and amid output and realised result (effectiveness) (Danişman *et al.*, 2015). Even though leadership is usually described as act of guaranteeing followers have the will to struggle to attain the mutual goals' (Danişman *et al.*, 2015), leadership may not be considered efficacious in the context of the firm if the outcomes obtained are not compatible with the mutual goals (Koech & Namusonge, 2012). Leadership is crucial to upsurge the performance of the enterprise (Karamat, 2013). Singh *et al.*, (2021)

assert that leadership is the effectiveness reached through attaining the organisational results and aims; these are gauges for the superiority of the management. Mourão (2018) explanations of the association among leadership and organisational performance is that, it enhances creativity-based competitiveness in today's intense and changing market and the creative obliteration of reduced profit and competencies (Danişman *et al.*, 2015). Scholars opined that, in the era of such encounters, operative leadership enable goals achievement (Obiwuru *et al.*, 2011). The enhancement of firm performance needs the progress of management and a sustained viable advantage needs leadership (Mahdi & Almsafir, 2014). Thus, leaders require concentrating on key resources which are critical to establish a change in the guarantee of continuous desired success. Hitt and Ireland (2002) views that leadership entails attaining utilisation of strategic capitals including alliances with partner firms "social capital" and the aptitude to form strong teams "human capital" as significant firm resources. This requires strong leadership to influence efforts of human resources towards attaining performance in the organisation. For employees to exert their effort over and beyond, the influence of leadership cannot be underestimated. This is based on the assumptions that leaders have to influence positive employees so that organisation achieves its objectives through mental and physical efforts of employees. According to Markova and Ford (2011) the real success of companies originates from employees' willingness to use their creativity, abilities and know-how in favour of the company and it is leaders' task to encourage and nourish this positive employee.

One of the criteria used to judge effectiveness from ineffective organisation is to assess its ability to balance conflicting needs of suppliers' capital, customers, society and the desires of the human resource during this era of customer driven company. This requires strong leadership simply because a leader is the one who sets organisational foundation and direction. Setting organisational foundation and direction entails formulation of vision mission, goals and objectives of the organisation and employees execute task that translate objectives set into reality (Jaleha and Machuki 2018). This entire act requires leaders to be devoted and create an environment in which employees can accept and execute their responsibilities with confidence and finesse. One of the means through which leaders can ensure success of organisation is through communication. Communication is the process of imparting the company's mission, vision goals and objectives to employees, it is only through communication employees will know what is expected from them and that they can be in a position to do their best towards realisation of organisational goals. Communication is about informing, persuading and inspiring employees so that all works towards same objective. Leader must also communicate with clients external to organisation so that they are informed on the company's new product and services. Dynamic leadership therefore ensure balance on the way employees are treated and oriented towards understanding and absorbing leader's message (Meraku, 2017). Researches affirmed that firm and enterprise failure emanating from an improper course of action that the leaders followed to accomplish the objectives.

Globally, the intention of leadership studies is to comprehend the extent to which leaders influence performance (Singh *et al.*, 2016). However, scholars are moderately uncertain whether leadership influences employee's performance. Studies reveal inconsistent opinions with regards to influences of leadership on the performance of employees. Pragmatic and theoretical studies found that leadership acts strongly effect performance (Quigley & Graffin, 2017; Jaleha and Machuki 2018). Regrettably, other scholars found that leadership does not influence performance and thus, actions are obstructed by situational factors, apathy or random effects (Fitza, 2017). There is inadequate evidence if study on mediating role of communication on the relationship between leadership and performance of small business has been executed.

The accomplishment of small business in the globe depends on numerous factors such as labour, capital, land and entrepreneurship. Entrepreneurs ought to establish firms by combining resources in order to realize profit (Mashene and Kumburu, 2020). In Tanzania, notwithstanding significance of small

businesses in socio-economic development, several factors hinder their performance. For example, Nkonoki (2010) examined factors preventing the success of small and medium-sized enterprises (SMEs) in Tanzania. The findings revealed that cheating, lack of desired knowledge and lack of experience are some of inner features restraining small business performance, but this study does not indicate how leaders can effectually managing and manipulate those factors in favour of performance of the enterprise. Mashenene and Kumburu (2020) assessed the effect of employees' devotions, trust and capabilities on the performance of small businesses but do not show how leaders through communication can influence commitment, trustfulness and competencies which in turn lead to performance. On the other hand, Nkwabi and Mboya (2019) tested a number of variables influencing the performance of SMEs. It was found that monetary, capital, regulations and poor technologies affected performance again this study did not show how leaders through mediating role of communication manage the enterprise resources by assembling them into strategic capabilities, enabling organisation to utilize capabilities, formulating and executing a strategy that will use resources to realise a competitive advantage, hence, it generates a research gap on this matter. This study intends to fill the knowledge gap by establishing the Influence of Leadership on Performance of small business: Mediating role of communication.

2. LITERATURE REVIEW

2.1 Theoretical Framework

Three leadership theoretical framework guides the assumption of these study (Trait Theories, Behaviour Theories and Contingency/Situational Theories). According to Memon (2014) there are personalities or traits that effective leader must possess ".Trait means an integrated individual feature that shows identity that facilitate and foster steady leader efficacy in various condition. The key theme is inherent trait that distinguished leaders from non-leaders. The traits among other include ability to communicate. Communication of the leader play crucial part as mission, vision and goals is to be shared to subordinate via communication and generate charisma and eventually leaders win the trust of their subordinate. Through that, employees will be willing to use their knowledge and skills in favour of the organisation. The challenge from this perspective is to discover how to identify and measure leadership quality and thus be able to screen leaders from followers. To overcome the complexities and weaknesses of the trait theory, behavioural theories are proposed. Behavioural Theories were developed from the Ohio State University that commenced in 1945. According to this theory performance is more meticulously connected to the leaders' acts than to the characters they own. Halpin & Winer (1957) recognised dual dimensions, initiating structure and consideration. Initiating structure denotes to the leader's actions in outlining the connection among himself and team members and in attempting to create well established forms of organisation, channel of communication and methods of procedures. Leader enables group interaction so that goals can be achieved. This is reflected in planning, arrangement, denounce, initiating ideas, organising the work, developing job description, allocate tasks and ensure its execution. Consideration may be defined as manners of which the leader creates rapport with his or her subordinates, two-way communication, mutual trust and respect, and understanding. In this regard leaders emphasize in building trust and warmth between the leaders and his or her staff and stresses for member's needs. Meraku (2017) Noted that when leader put much emphasis of employee's needs, he tends to communicate with them regularly and this instil trust which leads to commitment and ultimately superior performance.

But Ohio state scholars discovered that initiating structure and consideration were distinct dimensions that a high score in another dimension does not demand a low score on another. This enabled them to plot leader behaviour on the separate axes and not on a straight continuum thus four quadrants that show amalgamation of initiating structure and consideration was formed and the desire to have a single type of leader's behaviour seems to be unrealistic.

Contingency theory was initially propounded by Fiedler in 1967 while Hersey and Blanchard established the situational leadership theory in 1977 again two dimensions task and relationship behaviours were popularised and obtained attention. Later on, they combined their assumptions and formed four leadership styles: telling, selling, participating, and delegating. Bestowing to this view, leaders use appropriate leadership style liable on the readiness of followers, maturity and willingness to accept responsibilities (Singh, 2012). The telling style is appropriate for incapable and reluctant subordinates. The selling style is ideal for impotent and enthusiastic employees. The participating style is convenient for the talented and reluctant followers and finally the delegating style is adequate for able and willing followers. For leader to know maturity level of employees, appropriate leadership style is applied and influences them to take a particular cause of action he needs to communicate with them regularly. Memon (2014) argued that, leaders' communication plays outstanding role as goals and objectives are shared with employees through communication and this leads to effect of charisma and eventually improved organisational performance.

Communication plays a crucial function in the transmission of policies and the appraisal of employees. Doeleman *et al.*, (2012) assert that performance in the organisation cannot be realised if understanding and insights of key actors are ignored. Perceptions are affected and understanding attained through suitable communication. Communication as a mechanism to ensure employees involvement in setting objectives fosters trust and self-esteem between leaders and subordinates. Communication inspires employees to be more adaptive and take more initiatives. When considering attainment of goals, the communication between two groups needs a mutual debate concerning if or not the organisation is on the right track. Feedback is key to the learning process and questioning current ways of doing things so as to experiment and improve performance. The assumption here is that, communication concerning external growths, vision, mission, goals and objectives is critical on moderating the association among leadership and enterprise performance. Therefore, it is crucial to understand the influence of leadership on small business performance; mediating role of communication from the trait, behavioural and contingent approaches. This is because they do complement each other, none of three theories can fully account for the complexity of leadership and its effect on performance: Mediating role of communication. Thus, the integration of these three theories should help to overcome the identified complexities and inconsistencies.

2.2 Conceptual and Empirical Literature

Several scholars defined leadership differently depending on the context for which it is applied. Leadership is an act of inducing and guiding employees with the intention of achieving the goals of the firm (Jaleha&Machuki ,2018). Lord *et al.*, (2016) defined leadership as group of officials denoted to chief executive officers (CEO), director general (DG) and the board of directors (BOD) who manage an enterprise. Bass (2007) defined it as a cluster of managing Directors who established general strategies for obtaining and co-ordinating resources of the firm while Covin & Slevin (2017)defined leadership theorise as a set of inimitable proficiencies of forestalling, imagining, preserving dynamism, thinking strategically and empowering workers to make innovative thoughts that will result into superior performance. Notwithstanding divergent terms and different construct used key theme that prevails is an act of influencing employee's behaviour towards goal achievement. Thus, this article espouses Covin & Slevin (2017) definition set inimitable proficiencies of forestalling, imagining, preserving dynamism, thinking strategically and empowering workers to make innovative thoughts that will result into superior performance.

Thus, leader plays crucial part in setting the vision and mission of the organisation and others follow it. Therefore, suitable leadership style influence and guarantee the success for both enterprise and staffs. Studies that have been conducted globally verified that organisational failure arise due to improper way

that the leaders followed to realise the objectives. Thus, leadership is an approach that describes how leaders must alter their management techniques in the context of their subordinates' involving desire for attainment, experience, capacity and readiness to receive responsibilities.

On the aspect of organisational performance, the ongoing debate amongst researchers on how to operationalise organisational performance (OP) is inconclusive considering its complexity and multidimensionality (Jaleha and Machuki 2018). Nevertheless, the aim of OP is to offer value to customers by the use of capital supplied by owners. Organisational performance can be defined differently depending on the context to which is being used, in a narrow sense, it represents financial, product market and shareholder return, while broadly it represents mutually the pecuniary parameters as well as the non-pecuniary parameters e.g. such client gratification, processes efficiency and corporate social responsibility (Singh *et al.*, 2016). Communication is a process of conveying mission goals and objectives from superior to subordinates in an organisation (Ngozi & Ifeoma, 2015). Communication is a key component in leading and organising employees in the efforts towards attaining goals or objectives of the company. A strategic manager will appreciate that, straight forward communication between executives and staffs is essential for success simply because, bosses state goals and objectives as well as allocate tasks to the employees; on the other hand, subordinates seek clarifications and give account of their results or submit their request to the supervisors; Furthermore, team members deliberate how to attain the goal and so forth (Banihashemi, 2011). Consequently, an enterprise that values the significance of communication utilizes it in their working context while organising human and non-human resource.

Empirically, debate on the influence of leadership to organisational performance is not conclusive. While some researchers assert the strong influence of leadership to performance is substantial (Quigley & Graffin, 2017; Jaleha and Machuki, 2018) hence, it is advantageous for researchers to identify leadership theories or practices that will facilitate achievement superior performance, some opined that leadership has partial leverage on performance (Fitza, 2017). Contrarily, Danişman *et al.*, (2015) disclosed that leadership has average consequence on performance. A conceivable elucidation for these practical gaps could partly attributed to conflicting view among scholars on the nature and determinants of performance and partly to inherent difficulty in measuring performance and deciding which of its dimensions are more critical than others. Few researches have assessed the associations amid leadership, communication and performance of small business. Jaleha and Machuki (2018) acknowledge by identifying few studies on leadership that drawn the causal path of its influence on performance by investigating the mediating effect of diverse variables but none of them consider mediating effect of communication as critical component on enhancing performance of small business. This article tries to fill these conceptual and experiential gaps by examining the influence of leadership on organisational performance of small business with emphasis on the mediating role of communication.

3. METHODOLOGY

3.1 Research Design, Sampling Procedures and Sample Size

Data for this study was collected through cross-sectional design. This design permits the facts to be gathered at a single point in time and is beneficial for explanation purposes as well as for establishing relationship among parameters (Babbie, 1990). It is considered to be favourable when resources are limited in terms of finance, human and time (Mashene and Kumburu, 2020). The study was conducted in Arusha city mainly because is among the largest cities in Tanzania. Arusha is the fourth largest city of Tanzania, after Dar es Salaam, Mwanza and Mbeya. The city accommodates many small and large businesses, banking, retail and commercial enterprises. The populace comprised of employees of small businesses. The decision to employees was based on the employees are the one affected by leadership act and had rich information relevant to the study. For a firm and employees to be selected, it must be in operation for a minimum of 5 (i.e., from 2015 to 2020), because this time is enough for one to judge

leadership practices and if it enhances organisational performance or not. Proportionate stratified sampling was employed whereby respondents were separated into diverse strata of business sector, thereafter simple randomly selecting respondents proportionately from strata. The method is preferred owing to lack of record of interviewees from the liable authorities as well as more reliable information can be obtained from the same sample size if the population is stratified than from the population as a whole. A sample of 380 employees was involved: Sample size determination was done basing on the Cochran's formula which states that:

$$n = \frac{z^2 pq}{e^2}$$

Where: n = Estimated sample size, z = Confidence level at 95% (standard value of 1.96) P = Estimated target population (Using standard value of 0.5% since it is unknown) $q = 1 - p$ (1-0.5), e = Margin of error at 5% (standard value of 0.05). Estimated sample size was calculated as follows:

$$\begin{aligned} n &= \frac{1.96^2 \times 0.5 \times 0.5}{0.05^2} \\ &= \frac{3.8416 \times 0.25}{0.0025} \\ &= 384.16 \end{aligned}$$

Therefore, the sample size of the target population was 384. The study utilised primary data collected through questionnaire survey, it was necessary to use primary data because they are current and original and can better give a realistic view to the researcher about the topic under consideration. Self-administered questionnaire was used for data collection in this study. Self-administered questionnaire was used, the questionnaire was distributed directly to the 384 employees out of that (97%) were returned. According to Mugenda and Mugenda (2003), a response rate of above 70% is an excellent response rate, 60% response rate is good while 30% is low.

3.2 Analytical Model

All parameters were estimated using five-point Likert-type scale extending from one (1) strongly disagree to five (5) strongly agree (5). The scales were formed by statements enabling respondents to choose appropriate responses. To arrive at a realistic analysis, one must decide whether to treat the responses as ordinal or interval scale and whether points are equivalent or equidistant (Joshi et al., 2015). In this study ordinal scale analysis (non-parametric) was preferred over interval scale analysis because responses are purely based on ranking order and is not possible to show quantitative differences associated with one's extent of agreement or disagreement. Leadership was estimated using a 4-item scale (telling, selling, participating, and delegating). The Cronbach alpha for the objects of leadership was 0.80. Communication was measured using 3 item scale (content of the message, clarity and media) of and produced the Cronbach alpha of 0.87, and performance was measure by 3 scale items (sales, number of customers, and markets), the Cronbach alpha for the items of performance was 0.96. Cronbach's Alpha was above 0.70 in all aspects (Alkhatabi et al., 2011) this assured that data that were collected for this research were considered to be internally stable and consistent. The bivariate correlations analysis was used to test association of the three study variables while probability estimation was analysed using a confirmatory factor analysis (CFA). A hypothesized model of three-factors (Leadership, communicating and organizational was verified with other two factors and one factor model. Table 1 present variables measurement and operationalization.

Table 1: Operationalization of Variables

Variable	Definition	Measurement
Dependent Variable Y= Performance	Ability of a firm to increase sales, markets and customers	Index
Independent variable Leadership	The act of influencing through leadership styles (telling, selling, participating, and delegating)	Index
Mediating Variable Communication	The process of transmitting intent to employees (content of the message, clarity and media) thus creating the groundwork for trust	Index

4. RESULTS AND DISCUSSION

4.1 Characteristics of Consumers

Table 1 presents the demographic characteristics and bivariate correlations variables used in this research. On the aspect of age, the mean age was 40, thus, it entails engagement of more youths in the business. This reflects findings from other studies which show that the majority of employees were aged between 25 and 40 years of age ages (Kumburu & Kessy, 2018). The results further show that on average the years spent in school were 15 meaning that majority completed form six and they are capable of analysing issues related to leadership. The coefficients of relationship shows that leadership is significant and positively related to performance ($r = 0.21, p < 0.01$). The relationship among leadership and communication is positively allied ($r = 0.31, p < 0.01$). The study further shows that connexion between communication and performance is significant and positive ($r = 0.17, p < 0.01$).

Table 1: Demographic Characteristics and bivariate correlations

Variable	Correlation							
	Mean	SD	1	2	3	4	5	6
Age	40.01	11.29	-					
Gender	1.07	0.25	- 0.23**	-				
SEducation	15.10	2.22	- 0.14*	0.15*	-			
Leadership	3.64	0.61	0.08	- 0.03	0.09	(0.80)		
Communication	4.11	0.88	0.07	- 0.01	0.12*	0.30**	(0.87)	
Performance	3.65	0.96	0.01	0.01	0.13*	0.21**	0.17**	(0.96)

n = 381. Cronbach's α in parenthesis

** $p < 0.05$ (two-tailed)*

*** $p < 0.01$ (two-tailed)*

Utmost-probability approximation was applied by performing a confirmatory factor analysis (CFA). A model that was measured encompassed of three-factor leadership, communication and performance with substitute two factors and one factor model. Findings showed model fitness in three-factor model ($\chi^2/df = 1.44, TLI = 0.98, CFI = 0.98, RMR = 0.06$). Table 2 provide the details. Three-factor model was appropriate model compared to the other two. Therefore, the uniqueness of the three constructs employed in this research which was used in this research was reinforced. Cognizant to this, all three constructs were used in for further analysis.

Table 2: Confirmatory factor analysis

Model	X ²	df	TLI	CFI	IFI	RMR
Three factor model	217.44	150	0.98	0.98	0.99	0.06
Two factor model ^a	1585.65	169	0.64	0.64	0.68	0.23
One factor model ^b	2399.4	170	0.44	0.50	0.50	0.26

n = 381, All models are compared with the full measurement model

χ^2 Chi square, *df* degrees of freedom, TLI Tucker–Lewis Index, CFI Comparative Fit Index, IFI Incremental Fit Index, RMR root mean square residual

^aCombine grit and organizational commitment into one latent factor

^bCombine items of all variables into one latent factor

Furthermore, direct and indirect effects calculated, findings indicated that leadership is positively associated with performance ($\beta = 0.27, p < 0.01$) and communication ($\beta = 0.44, p < 0.01$). The findings also displayed that communication is positively allied with performance ($\beta = 0.13, p < 0.05$). This support finding by Meraku (2017) who noted that communication is essential in attaining organisation's success. Receiving and supporting leaders vision enabling employees to work over and above and consequently facilitate the attainment of the objectives as presented in Figure 1..

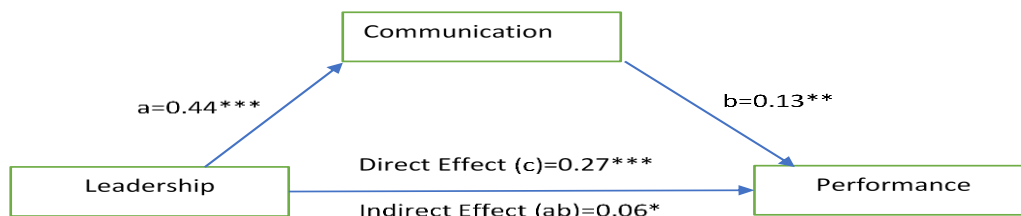


Figure 1: direct and indirect effects of the construct

Furthermore, mediation model (Table 3) demonstrated leadership has indirect positive effect on performance ($\beta = 0.06$).The preceding two-tailed test too stated that the indirect outcome was significant (Sobel $z = 1.82, p < 0.10$). Bootstrap results with a bootstrapped 90% CI established the Sobel assessment around the indirect effect comprising no zero (0.00, 0.15). These results imply that communication intercede the association amid leadership and performance and thus the connection among the two is not linear.

The findings provide a solid backing for the theoretical assumptions that leadership and communication is strong predictor for performance of small business. Leadership leads to good performance because leadership attach employees with goals and objectives of the organization because through leadership employees especially when leader use selling and participating styles, understand what is expected from them thereby develop sense of ownership which in turn make them committed, and can be easily retained and produce superior results. This is supported by the study conducted by Lor& Hassan (2017) who found that supportive leadership behaviour significantly positive affect performance. The findings further reveal that leadership is positively related to communication. When leading leaders use communication to share messages, information, opinions, or thoughts with staff. Staff will translate information and thought into action and thus contributes to organizational success.

Furthermore, the study findings revealed that communication has a positive connection with performance. Bosses' stipulate goals and assign work to employees through communication;

subordinates seek clarifications and give account of their results to the supervisors; furthermore, team members deliberate how to attain the goal. These processes ensure sense of ownership and employees feel more concerned their firms; therefore, they are prepared to incur risks and make much effort in their work and eventually improved functioning of the organization. This corroborate findings of Arendt *et al.*, (2019) who found that communication with subordinators is essential for nurturing bond quality and pertinent work results.

Table 3: Mediating effect

Variables	β	SE	t	p		
Direct and total effects						
Performance regressed on leadership	0.32	0.09	3.64	0.00		
Communication regressed on leadership	0.44	0.08	5.52	0.00		
performance regressed on communication, controlling for leadership	0.13	0.07	1.96	0.05		
performance regressed on leadership controlling for communication	0.27	0.09	2.88	0.00		
	Value	SE	LL 90% CI	UL 90% CI	z	p
Indirect effect and significance using the normal distribution						
Sobel	0.06	0.03	0.00	0.15	1.82	0.06
	M	SE	LL 90% CI	UL 90% CI		
Bootstrap results for indirect effect						
Effect	0.06	0.04	0		0.15	

n = 381

β unstandardized regression coefficient, SE standard error; bootstrap sample size = 1000, LL lower limit, CI confidence interval, UL upper limit

Communication acts as a mediator between leadership and performance, the findings indicates that performance may happen using different mechanism and practices. Communication is pivotal catalyst for creating and sustaining trust, the emotional state that is shared by superiors and subordinates but has a noteworthy effect on employees' behavioural outcome. If workers understand message, they are compelled to go extra mile by making sure that they do their best to attain performance. Thus, backup argument of this study that communication posit as mediating machinery among leadership and performance.

5. CONCLUSIONS, MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

This paper therefore concludes that leadership is positively influence performance of small business ($\beta = 0.27$, $p < 0.01$) as well as communication ($\beta = 0.44$, $p < 0.01$). The findings disclose significantly positive effect is present in this relationship, indicating that performance is improved when leadership is applied. The results also showed that communication is positively allied with performance ($\beta = 0.13$, $p < 0.05$).

Implying that consistent and dependable communication about external developments, vision, values, and performance promotes performance. Concerning the mediating effect leadership has an indirect influence on performance. This indirect effect was positive ($\beta = 0.06$). The formal two-tailed also affirmed the indirect significant effect (Sobel $z = 1.82$, $p < 0.10$). Therefore, study concluded that communication acts as a mediator between leadership and performance, and thus there is no linear relationship between the two. For leadership to be effective the power of power and essence of communication cannot be ignored.

There are diverse pragmatic inferences for managers and experts who are seriously aim enhance performance of small business to use appropriate leadership style to the employees. This will make employees feel comfortable and not offended. This should be followed by creating systems that will foster communication and recognise employee's contribution, thus encouraging two-way traffic communicating. Management and practitioners might not continuously be conscious of the principally enabling functions of communication in debating yearly plans and information sharing management. Thus, there is a need for a rigorous and continuing dialogue on vision, strategy and objectives as well as feedback. Furthermore, affective communication is positively connected to performance, thus, if is to make to make communication effective different strategies could be employed, such as make the message realistic, timely consistent and encourage feedback. It is therefore recommended that leaders should make effective communication an integral part of its management strategies and identify communication techniques that will enable employees interpret correctly message communicated by leaders so that desired performance can be attained.

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