

RESEARCH ARTICLE:

The Influence of Strategic Leadership Roles of Chief Executive Officers on the Performance of Small and Medium Enterprises in Zimbabwe

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Abstract

Chief Executive Officers of small and medium enterprises have a tremendous task to strategically lead their institutions to become active players contributing positively to the gross domestic product and create more employment opportunities. This study seeks to establish the influence of strategic leadership roles of Chief executive officers/owners of small and medium enterprises on the performance of these institutions in the Zimbabwean economy. The study followed the quantitative research approach to collect data using a 5-point Likert scale questionnaire from a sample size of 373 respondents selected using the simple random sampling method. The study employed the exploratory factor-structural equation modelling process to analyse data after collating several questions from the extant literature. The analysis tools used were the IBM SPSS Statistics v26 and IBM SPSS Amos v26 software. All the five strategic leadership roles had a significant effect on the performance of Small and Medium Enterprises. The study findings will help Chief Executive Officers of Small Medium Enterprises in Zimbabwe to execute their strategic leadership roles incisively with due diligence given their effect on the performance of Small and Medium Enterprises.

Keywords: chief executive officers; small and medium enterprises; performance; strategic leadership roles; strategic leaders

Introduction

Chief Executive Officers (CEOs) are the topmost influential executives in organisations. They have a mandate as top executives to guide organisations they lead profitably into the future. Being a Chief Executive Officer (CEO) compels the incumbent to have a helicopter view of the developments in and around the organisation. Essentially, CEOs must, always, have a clear understanding of the developments from the external environment likely to bring threats and opportunities to the organisation. They must also have a good appreciation and understanding of the developments from within the organisation. To this end, CEOs must have defined strategic roles to direct their organisations and enhance performance. Several researchers and scholars (Hitt, Ireland and Hoskisson 2013, Jain and Yadav 2017, Simsek *et al.*, 2015) concur that chief executive officers, as the most influential top executives in organisations have crucial strategic roles to play as senior leaders. The upper echelons theory of 1984 by Hambrick and Mason highlights the making of strategic decisions by the CEO and the top management team (TMT) as an important strategic leadership role. Although Hambrick and Mason (1984) developed the upper echelons perspective with established corporate organisations in mind, small and medium enterprises (SMEs) are institutions that require strong and effective strategic leadership to compete in highly competitive global markets.

The Small and Medium Enterprises (SMEs) sector in Zimbabwe contributes to economic prosperity through the provision of employment opportunities. The SMEs sector has steadily

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grown since its development in 2002 through the Zimbabwe government SMEs policy framework, aimed at stimulating the economy through the development of the SMEs sector. As a result, SMEs play a crucial part in alleviating hunger to most of the Zimbabwean population, especially the middle class (Majoni, Matunhu and Chaderopa, 2016). Their contribution to the gross domestic product (GDP) is 50% and 15% to employment. As a crucial provider of employment opportunities, the sector has become a vehicle for eradicating poverty in the country. The owners/CEOs of these institutions must have strategic leadership roles to drive organisational performance. They have a mandate to take the lead in making fluid strategic choices to stimulate the performance of their enterprises. However, the sector has had many challenges since 2008 ranging from inadequate funding to frustrating government rules and regulations to inconsistent government policies. Fields, Bomani and Derera (2015) describe the policies as inconsistent and conflicting.

In addition, SMEs also lack direction, adequate management and marketing skills, and poor business planning among, many other challenges. However, despite these problems, CEOs/owners of these institutions have a mandate to execute their strategic roles with precision and due diligence. Sadly, CEOs of SMEs in Zimbabwe do not put due importance on the benefits of having defined strategic roles. The general view is that performing strategic leadership roles might not affect the performance of their enterprises. However, not much is known on the impact of CEOs' strategic leadership roles on the performance of SMEs in Zimbabwe. This study seeks to establish the impact of CEOs' strategic leadership roles on organisational performance. It also aims at encouraging CEOs of small and medium enterprises to give due importance to their strategic leadership roles and strive to increase the performance of the institutions.

Literature Review

Although SMEs are important vehicles of economic growth globally, countries seem to differ in their definition. Some countries define SMEs by their employee headcount, assets value, and number of sales achieved. For example, a medium enterprise in Zimbabwe employs about 100 workers maximum, while in the Republic of South Africa, it employs 200 workers maximum (Edinburgh Group Report, 2012). Therefore, a medium enterprise in Zimbabwe is a small enterprise in South Africa. However, despite the differences, SMEs are promising business institutions capable of creating new wealth and innovations. CEOs of SMEs also have a mandate to make strategic choices, read the environment, and install organisational systems to enhance the growth and performance of their enterprises.

CEOs as top strategic leaders have received lots of attention lately from company shareholders, researchers, the media, and other key organisational stakeholders. As central figures in organisations, CEOs lead (Altarawneh, Shafie and Ishak 2020, Conte 2018), and they have been hailed as heroes while also finding themselves vilified when organisational failures knock on their doors (Chummun and Ojah 2016). A CEO is the most powerful executive whose responsibilities cut across the organisation, ensuring the implementation of laid down plans, objectives, and policies for the smooth flow of business. The CEO acts as a link between the organisation and the outside world. The incumbent reaches out to the society at large, customers, economic markets, and political leadership. Edwin and Benjamin (2017) pointed out that being appointed CEO comes with some responsibilities and complexities that require the incumbent to display exceptional skills, coordinating and overseeing the entire organisational operations. As such, decision-making and the overall strategic direction, an organization takes rest squarely with the CEO, who should carry ownership of both the organisation's vision and mission.

Given the strategic positions CEOs occupy in SMEs and large established companies, the question that arises is whether CEOs matter as top strategic leaders. The CEO's activities, especially as a public figure spending considerable time cultivating relationships with the outside world, have come under scrutiny lately. Bandiera *et al.* (2011) argue that most CEOs spend a lot of time engaging in activities like playing golf, which at the end of the day contribute nothing meaningful

to overall organisational performance. However, researchers and renowned scholars like Hiller and Beauchesne (2014), Chaummun and Singh (2019), and Thompson *et al.* (2015) do not subscribe to this view. They instead argue that CEOs matter; because decisions they make can either build or destroy organisations they lead. Chummun (2012) pointed out that the roles of CEOs, bordering around strategy crafting, its implementation, and their general helicopter view of the organisation make them stand out not only as top executives but as executives who matter.

Evidence from large, listed firms shows that top managerial leaders comprising CEOs and their top management teams (TMTs) all play crucial roles in determining the fate of their organisations as they make their strategic choices. However, the strategic leadership roles of CEOs in SMEs are not well defined as in established firms. Simsek *et al.* (2015) blame SMEs' operations and strategic modalities limited to the owner/founder as the central decision-maker since hierarchical levels are limited. Even in family-owned and controlled SMEs, the owners/founders stand out as key and influential organisational figures playing the role of decision-making as lone rangers (Garavan *et al.*, 2015). Hiller and Beauchesne (2014) list five CEO's strategic leadership roles. They identify the CEO as a maker of strategic choices, reader of the business environment, installer of organisational systems and structures, developer of strategic vision, and builder of healthy organisational culture.

Make strategic choices

The most crucial role of a CEO is to make strategic choices that enhance organisational performance. Strategic choices are well-articulated strategic decisions made by executive leaders at the apex of an organisation (Harney, 2016). It is the duty of the CEO and the top management team (TMT) to come up with well-defined and articulated strategies capable of successfully pushing the organisation into the future. An astute CEO needs to be ahead of the storm and must map out the direction the organisation should follow. The CEO must also be ready with answers as to how to get to the intended destination.

Develop organisational systems and structures

CEOs must develop and install communication systems and processes. According to Hargie (2016), an organisation can achieve its goals if its top leaders develop fluid communication systems and processes. The systems and processes must align with the crafted strategy. In essence, CEOs must design with due diligence broad-based systems that include recruitment, performance, employee rewarding, and reporting systems in such a way that all functional departments and sections interface easily. In this regard, managers have a mandate to ensure that their organisations have clear organisational structures that encourage and facilitate the easy flow of information. Pillay and Nene (2019) note that all departments of an organisation require coordination since they contribute equally to its performance.

Scan the environment

At the same time, an astute CEO should ably pick positive and negative developments from the external environment. To this end, the CEO should always be on top of the situation to avoid being taken by surprises when developments from the external environment unfold. Keeping pace with developments from the external environment allows top executives to pick developments like threats and organisational opportunities (Hiller and Beauchesne, 2014). However, a CEO must conduct due diligence and have a thorough understanding of the developments from the environment before coming up with solid strategic decisions.

Develop strategic vision

A CEO must decide on the future business make-up of the organisation. On this basis, a diligent CEO must have a road map that defines and clarifies the most profitable route the organisation must follow to accomplish set goals. An organisation, therefore, requires a strategic vision, which is the road map that gives a vivid picture of its future state (Darbi, 2015; Abdow, 2016). As a

powerful tool in the strategic planning process, a strategic vision defines the direction an organisation must follow and further makes employees and other stakeholders see a big picture of what the organisation desires to be in the future. In the words of Darbi (2015: 96), "no organisation wants to remain static; it is not uncommon to come across what is often referred to as a "dream" that a founder of an organisation has". True indeed, the aim of every organisation from birth is not to remain stuck in one place but to grow as it faces the dictates of the global competitive landscape.

Build a healthy organisational culture

While battling to develop a clear strategic vision, a CEO cannot ignore the role of building a strategy-supportive organisational culture. Organisational culture refers to the manifestation of beliefs, attitudes, and behaviours that define what is acceptable ethically and not. The transmission of organisational culture is through several vehicles such as symbols (offices, cars); rituals (organisational ceremonies); and stories long-serving members keep telling recruits (Popa, Furdui and Edelhauser, 2019). CEOs have a symbolic role in shaping organisational culture through their actions and words. A CEO has the responsibility of building a culture that makes employees understand and appreciate the norms and values of their organisation. It must bind all stakeholders together and build a positive image of the organisation. According to Maseko (2017), a healthy organisational culture drives the organisation forward as it never changes. In essence, values, norms, and beliefs get embedded in all employees and guide them in accomplishing organisational goals.

Organisational performance

The success of every business enterprise depends on its overall performance. In other words, the survival of every profit-making business enterprise depends on how top organisational leaders coordinate organisational activities and operations across all departments to achieve set goals and objectives (Rehman, Mohamed and Ayoup, 2019; Singh, Darwish and Potocnik, 2016). The implication is that Zimbabwean SMEs, like all other business enterprises, must perform to survive. Singh, Darwish and Potocnik (2016: 215) define organisational performance as "a set of both financial and non-financial indicators capable of assessing the degree to which organisational goals and objectives have been accomplished". This definition implies that organisations can employ financial measures such as shareholders value, profitability, and non-financial measures such as customer satisfaction, market share, and other non-financial measures to verify the accomplishment of set goals. Rehman, Mohamed and Ayoup (2019) state that organisational performance revolves around an organisation's ability to accomplish market and financial objectives. In a nutshell, top executives usually focus on achieving these objectives to verify the performance of their organisations from financial and non-financial points of view.

Research Methodology

This is an exploratory-confirmatory study, which followed the quantitative research approach to collect data from 372 respondents in the province of Harare, Zimbabwe using a 5-point Likert scale questionnaire. The research design employed in this study was the survey design. The questionnaire was distributed online, and respondents were selected using the simple random sampling method. Because of COVID-19 related challenges, online administering of the questionnaire was the only option available to the researcher. Three hundred and forty-two (342) questionnaires were returned. However, the collected data were cleaned through the list-wise deletion of cases that matched the exclusion criteria specified in the methodology, cases with outliers and cases that had more than 15% missing data. In instances where the missing data were less than 15%, the multiple imputations process was carried out to fill in the data as prescribed by Field (2018).

Outlier detection was also done and from both procedures, 24 cases were dropped. The subsequent 318 cases from the data cleaning represented a response rate of 85.48% and being

greater than the minimum prescribed 60% (Jaggia and Kelly, 2013); this meant that the data collected were adequate. Data analysis followed the exploratory structural equation modelling process (EFA-SEM analysis), which compels a researcher to integrate exploratory and confirmatory factor analysis in a study (Toth-Kiraly *et al.*, 2017). The process involved establishing EFA constructs before employing the confirmatory factor analysis (CFA) to confirm their validity. The structural equation modelling (SEM) was then used to test the influence of CEOs strategic leadership roles on SMEs performance. To achieve the foregoing analyses, IBM SPSS Statistics v26 and IBM SPSS Amos v26 were used.

Results and Discussion

The study findings are presented in three parts. The first section presents the demographic results, while the second section presents the exploratory factor analysis results. The third section presents the structural equation modelling results.

Demographics

The importance of demographic variables is underscored by Gravetter and Wallnau (2017), who argue that they help to provide a context to the study. For this study, only three demographic variables were considered, that is, gender, age, and position in Table 1.

Table 1: Demographic Distribution

Variable	Category	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	179	56.3	56.3	56.3
	Female	139	43.7	43.7	100.0
	Total	318	100.0	100.0	
Age	Below 25 Years	47	14.8	14.8	14.8
	26-30 Years	74	23.3	23.3	38.1
	31-35 Years	82	25.8	25.8	63.8
	36-40 Years	62	19.5	19.5	83.3
	40 and above	53	16.7	16.7	100.0
	Total	318	100.0	100.0	
Position	CEO	276	86.8	86.8	86.8
	Manager	42	13.2	13.2	100.0
	Total	318	100.0	100.0	

Concerning the gender, the results show that most of the respondents were males, and these comprised 56.3% of the respondents while the females were 43.7%. This distribution which was skewed towards males is rather representative of the status quo where males tend to dominate leadership in SMEs than females as also supported by Zimbabwe National Statistics Agency (ZIMSTAT) findings (Zimbabwe Statistics, 2016). With respect to the age, the modal age group was the 31–35-year age group (25.8%), followed by the 26–30-year age group (23.3%). The third highest was the 36–40-year age group and this comprised of 19.5% of the respondents. However, the least proportion as those below the age of 25 years (14.8%), while the second least were those aged 40 years and above (16.7%). From the foregoing, it is evident that most of the participants were middle-aged, and with the proportion of the young being low, this meant that the majority of the respondents had acquired enough experience to be able to reliably respond to the study. The last demographic variable was the position held by the respondents. The majority were CEOs (86.8%), while those in the management positions comprised of just 13.2%. In this regard, we argue that the predominance of CEOs in the study meant that the responses were contextually relevant and thus aiding to the reliability and credibility of the study findings.

Descriptive statistics

The descriptive statistics for the CEO strategic leadership roles are presented in Table 2.

Table 2: Descriptive summaries - CEO Strategic leadership roles

Strategic leadership roles	N	Mean	SD	Skew	Kurt
Transforming the organization as the external environment change.	318	3.56	.947	-.911	.480
Establishing expansion opportunities	318	3.83	.881	-1.338	2.204
Expanding into new markets and making acquisitions	318	3.64	.917	-.864	.532
Making strategic choices or decisions	318	3.68	.802	-.953	.696
Developing performance matrices	318	3.43	.950	-.742	.000
Sustaining an organization’s leadership system	318	3.59	.850	-.909	.651
Evaluating other executive leaders within the company	318	3.51	.925	-.605	-.182
Developing and installing clear organisational systems	318	3.51	.761	-.559	-.059
Scanning the environment	318	3.64	.828	-.794	.603
Maintaining awareness of the competitive market landscape	318	3.58	.915	-.875	.600
Assessing industry developments	318	3.60	.818	-.964	.987
Scanning the environment	318	3.61	.729	-.742	1.067
Implementing the company’s vision and mission	318	3.64	.866	-.921	.961
Setting measurable strategic goals	318	3.62	.861	-.901	.926
Leading the formulation of the company’s short-and long-term strategy	318	3.55	.842	-.782	.830
Formulating vision and determining direction	318	3.60	.755	-.824	1.073
Initiating changes within the organization	318	3.64	.820	-.911	1.421
Developing good organisational culture	318	3.62	.861	-.901	.926
Aligning organizational culture to the strategic focus and plan	318	3.63	.863	-.814	.912
Developing good organisational culture	318	3.63	.757	-.930	1.235
Strategic Leadership Overall	318	3.61	.599	-.856	1.482

Since the 5-point Likert scale was used, the midpoint considered was 3.0. From the outcome, none of the mean ratings was less than the midpoint with the aggregate being (M = 3.61; SD = 0.599) and this meant that the CEO strategic leadership roles were being fairly applied in most of the SMEs. The highest rating was *making strategic choices or decisions* (M = 3.68; SD = 0.802), followed by *developing good organisational culture* (M = 3.63; SD = 0.757), while the third was *scanning the environment* (M = 3.61; SD = 0.729), and the fourth was *formulating vision and determining direction* (M = 3.60; SD = 0.755), while the least rating was *developing and installing clear organisational systems* (M = 3.51; SD = 0.761).

The descriptive statistics for the performance measures are presented in Table 3. Again, the 5-point Likert scale was used, and the mid-point considered was 3.0. The aggregate non-financial performance rating was M = 3.54 (SD = 0.768), while the aggregate financial performance rating was M = 3.51 (SD = 0.823). The overall performance rating was M = 3.52 (SD = 0.744), and since this was greater than the midpoint 3.0, it follows, therefore, that the performance of SMEs was rather satisfactory.

Table 3: Descriptive statistics –SME performance

Performance measures	N	Mean	SD	Skew	Kurt
Customer satisfaction	318	3.51	.908	-1.354	1.521
Customer acquisition	318	3.55	.831	-1.125	1.344
Market share	318	3.55	.838	-1.012	.937
Non-Financial Performance	318	3.54	.768	-1.225	1.565
Return on equity	318	3.60	.874	-.667	.123
Net profit margin	318	3.59	.853	-.834	.603
Financial Performance	318	3.51	.823	-.722	.141
Overall Performance	318	3.52	.744	-1.019	.753

Exploratory factor analysis (EFA)

The study sought to establish whether the CEO strategic leadership roles influenced the performance of SMEs in Zimbabwe. To identify the principal roles, several questions were collated from extant literature and were investigated in this study using a 5-point Likert scale. To validate the assumptions for the use of EFA, two tests were done, that is, the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) and Bartlett’s test for sphericity. The KMO measures the adequacy of the sample used and the minimum threshold is 0.50. On the other hand, the Bartlett’s test for sphericity tests if the correlation matrix of items is an identity matrix or not, and the test should be statistically significant at $p < 0.0$. The results for both statistics are presented in Table 4 below.

Table 4: KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.681
Bartlett's Test of Sphericity	Approx. Chi-Square	328.191
	df	14
	Sig.	.000

The results show that the KMO statistic was $0.681 > 0.50$ and in this regard, the sample that was used by the researcher was adequate. Furthermore, regarding the Bartlett’s test, $\chi^2(14) = 328.191$, $p = 0.000 < 0.05$. In this regard, all the assumptions for factor analysis were validated.

Factor extraction

The principal component analysis (PCA) was chosen as the factor extraction method. Further, to help extract more reliable factors, factor rotation was employed. Factor multicollinearity was not assumed and, in this respect, the orthogonal varimax rotation was the best rotation method over oblique rotation methods such as the Promax or oblimin rotation. Using the Kaiser criterion, which stipulates that valid factors ought to have eigenvalues greater than 1.0, the total number of factors extracted was 5. These are presented in Table 5.

Table 5: Total variance explained - CEO strategic roles

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.348	43.118	43.118	10.348	43.118	43.118	4.731	19.715	19.715
2	1.796	7.484	50.602	1.796	7.484	50.602	4.043	16.847	36.561
3	1.342	5.593	56.195	1.342	5.593	56.195	2.918	12.158	48.719
4	1.319	5.497	61.692	1.319	5.497	61.692	2.885	12.021	60.740
5	1.037	4.320	66.011	1.037	4.320	66.011	1.265	5.271	66.011

Extraction method: Principal component analysis

Factor 1 had the highest eigenvalue (10.348), and this had a rotated variance explanation of 19.715%, while Factor 2 had an eigenvalue of 1.796 (16.847%), and Factor 3 had an eigenvalue of 1.342 (12.158%). Factor 4, whose eigenvalue was 1.319, had a variance explanation of 12.021%, while for Factor 5; the eigenvalue was 1.037 (5.271%). According to Yong and Pearce (2013), the minimum acceptable total variance explained is 50%. From the findings above, the cumulative variance explained by the 5 factors was 66.011%, and being greater than the minimum threshold, this meant that the extracted factors were valid.

Maskey, Fei, and Nguyen (2018) note that the assignment of items to the factors is based on the factor loadings and that only those factor loadings that would be greater than 0.50 would be used, while other scholars suggest an even lower loading threshold of 0.4. The factor loadings are presented in Table 6.

Table 6: Rotated factor matrix

Factor loadings	Component				
	1	2	3	4	5
Transforming the organization as the external environment change.	.821	.194	.108	.192	.182
Establishing expansion opportunities	.817	.177	.205	.206	.291
Expanding into new markets and making acquisitions	.791	.239	.183	.125	.092
Developing performance matrices	.172	.846	.170	.131	.390
Sustaining an organization's leadership system	.259	.820	.268	.088	.141
Evaluating other executive leaders within the company	.138	.747	.154	.321	.290
Scanning the environment	.278	.223	.752	.296	.233
Maintaining awareness of the competitive market landscape	.075	.180	.749	.142	.362
Assessing industry developments	.146	.245	.741	.318	.255
Implementing the company's vision and mission	.211	.095	.208	.786	.075
Setting measurable strategic goals	.338	.173	.201	.737	.085
Leading the formulation of the company's short-and long-term strategy	.153	.215	.116	.725	.118
Initiating changes within the organization	.229	.215	.113	.198	.794
Developing good organisational culture	.072	.312	.209	.170	.768
Aligning organizational culture to the strategic focus and plan.	.145	.075	.170	.153	.660
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 5 iterations.					

The above results show that none of the items had maximum components that were less than 0.5, and in this respect, none of them were dropped. Considering the items that met the criteria for each factor, the major CEO strategic leadership role extracted was making strategic choices or decisions, and this was Factor 1, and Factor 2 was developing and installing clear organisational systems, and Factor 3 was scanning the environment while Factor 4 was formulating vision and determining direction. Lastly, Factor 5 was developing good organisational culture. These are named and summarized below:

Factor 1: Making strategic choices or decisions

- Establishing expansion opportunities
- Expanding into new markets and making acquisitions
- Transforming the organization as the external environment changes

Factor 2: Developing and installing clear organisational systems

- Sustaining an organization's leadership system
- Evaluating other executive leaders within the company
- Developing performance matrices

Factor 3: Scanning the environment

- Scanning the environment
- Assessing industry developments
- Maintaining awareness of the competitive market landscape

Factor 4: Formulating vision and determining direction

- Leading the formulation of the company's short-and long-term strategy
- Implementing the company's vision and mission
- Setting measurable strategic goals

Factor 5: Developing good organisational culture

- Developing good organisational culture
- Initiating changes within the organization
- Aligning organizational culture to the strategic focus and plan

- The validation of these constructs is presented below.

Construct reliability and validity

Having extracted the CEO strategic leadership roles, the research further sought to test the relationships that existed between these roles and SME performance. However, it was necessary to first test the constructs for validity and reliability. To test for reliability, the Cronbach’s alpha was tested, and the minimum expected alpha statistic is 0.70. The results are presented in Table 7.

Table 7: Reliability testing

	Alpha	N of Items
Making strategic choices or decisions	.849	3
Developing and installing clear organisational systems	.786	3
Scanning the environment	.813	3
Formulating vision and determining direction	.857	3
Developing good organisational culture	.873	3

The results above show that the highest Cronbach’s alpha was $\alpha = 0.873$ for the construct *developing good organisational culture*, followed by *formulating vision and determining direction* ($\alpha = 0.857$). *Making strategic choices or decisions* had the third highest ($\alpha = 0.849$), followed by *scanning the environment* ($\alpha = 0.813$). The fifth highest alpha statistic was for the construct, *developing and installing clear organisational systems* ($\alpha = 0.786$). Since none of these constructs had alpha statistics that were less than the prescribed minimum 0.70, we confirm that all the five CEO strategic leadership roles extracted in this study were very reliable.

For validity, the validation of constructs was achieved using Confirmatory Factor Analysis (CFA). CFA facilitated the testing of construct validity through convergent validity as well as discriminant validity. To achieve this, IBM SPSS Amos v26 was used and the CFA model is illustrated in Figure 2 below.

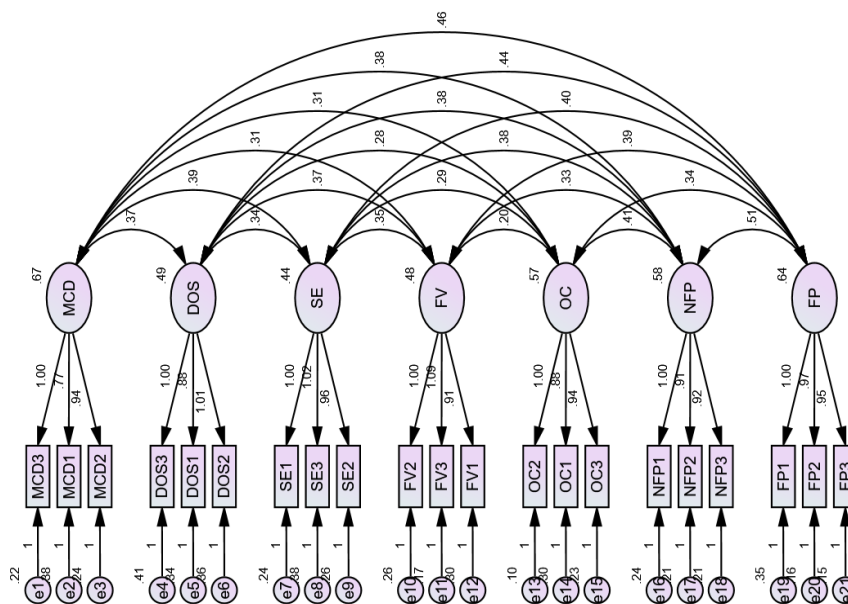


Figure 2: Confirmatory factor analysis measurement model (Authors’ own analysis)

Convergent validity measures whether a given set of items converge to the same construct. The minimum non-standardised path coefficients ought to be 0.60, while the minimum standardised coefficient ought to be 0.40. From the above findings, all the standardised path coefficients were within the required thresholds, being greater than 0.40, as prescribed by Kline (2016). In this regard, we confirm that the convergent validity was not violated. On the other hand, for the

discriminant validity assumption to be met, the co-variances, otherwise known as the heterotrait-monotrait ratio of correlations (HTMT) must be less than 0.85 (Kline, 2016). From the measurement model above, none of the co-variances were greater than the upper threshold 0.85, and we, therefore, confirm that the discriminant validity assumption was not violated. With both the convergent validity and discriminant validity having been confirmed, this meant the construct validity was not violated.

Structural equation modeling

Having confirmed the research constructs to be valid and reliable, the last stage of the analysis sought to test the research hypotheses. This study sought to establish the impact or effect of CEO's strategic leadership roles on the performance of SMEs. CEO strategic leadership roles were measured using five sub-constructs, that is, making strategic choices or decisions, developing, and installing clear organisational systems, scanning the environment, formulating vision, and determining direction and developing good organisational culture. In this regard, there were five research hypotheses being tested and these were:

H1: Making strategic choices or decisions has a significant impact on SME performance

H2: Developing and installing clear organisational systems has a significant impact on SME performance

H3: Scanning the environment has a significant impact on SME performance

H4: Formulating vision and determining direction have a significant impact on SME performance

H5: Developing good organisational culture has a significant impact on SME performance

To achieve the foregoing hypotheses, we made use of structural equation modeling. This was carried out in view of the fact that the research consisted of latent variables that had been measured by several items for each research construct, something which multiple linear regression techniques were not naturally capable of handling without transforming the items into aggregates. Since the sample size was greater than 200, the co-variance-based structural equation modeling was carried out in lieu of the variance-based structural equation modeling, which is ideal for small samples. The structural equation modeling was done using IBM SPSS Amos v26 and the SEM model is presented in Figure 3.

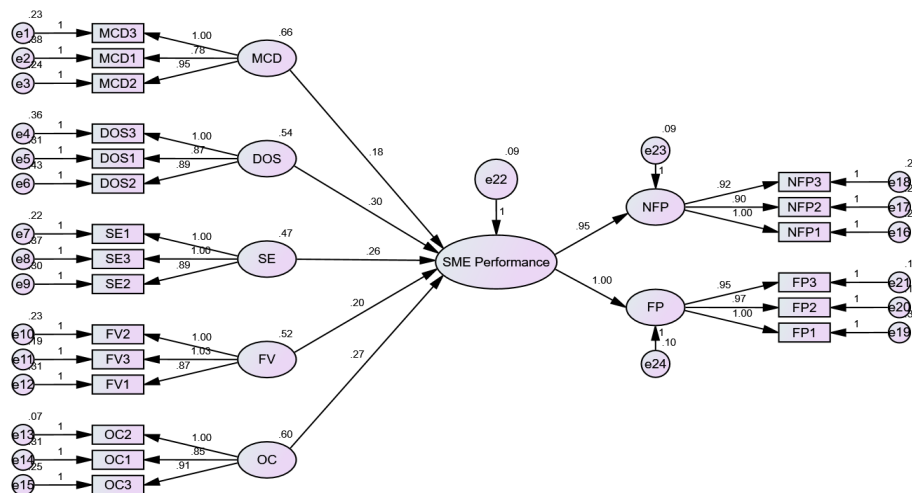


Figure 3: Structural equation model

The corresponding regression coefficients and p-values are presented in Table 8.

Table 8: Regression weights: (Group number 1 - Default model)

			Estimate	Standardised	S.E.	CR.	P
PERF	<---	MCD	.183	.293	.037	4.971	***
PERF	<---	DOS	.297	.428	.047	6.257	***
PERF	<---	SE	.263	.354	.047	5.617	***
PERF	<---	FV	.198	.281	.041	4.800	***
PERF	<---	OC	.275	.419	.040	6.833	***

From the above outcome, the major factor influencing SME Performance (PERF) was *developing and installing clear organisational systems* ($\beta_{DOS} = 0.428$; $p = 0.000$), followed by *developing good organisational culture* ($\beta_{OC} = 0.419$; $p = 0.000$) explaining 6.8% of the variance, while the third was *scanning the environment* ($\beta_{SE} = 0.354$; $p = 0.000$). On the other end, the second least was *making strategic choices or decisions* ($\beta_{MCD} = 0.293$; $p = 0.000$) and the least being *formulating vision and determining direction* ($\beta_{FV} = 0.281$; $p = 0.000$). These results show that the p-values were all less than 0.05 and in this respect; the five hypotheses were accepted as true. From these findings, we confirm that there was enough statistical evidence, to support that all the five CEO strategic leadership roles, that is, making strategic choices or decisions, developing, and installing clear organisational systems, scanning the environment, formulating vision, and determining direction and developing good organisational culture have a significant direct impact on SME performance in Zimbabwe. Considering these findings, we take the following decisions as shown in Table 9.

Table 9: Hypothesis testing

Hypothesis	Results
<i>H1: Making strategic choices or decisions has a significant impact on SME performance</i>	Accept H1:
<i>H2: Developing and installing clear organisational systems has a significant impact on SME performance</i>	Accept H2:
<i>H3: Scanning the environment has a significant impact on SME performance</i>	Accept H3:
<i>H4: Formulating vision and determining direction have a significant impact on SME performance</i>	Accept H4:
<i>H5: Developing good organisational culture has a significant impact on SME performance</i>	Accept H5:

Source: Authors' own

The goodness-of-fit tests for the above structural equation model are presented in Tables 10-13.

Model fit summary

Table 10: CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	49	482.517	182	.000	2.651
Saturated model	231	.000	0		
Independence model	21	4937.379	210	.000	23.511

Table 11: Baseline comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.940	.900	.929	.931	.917
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Table 12: Parsimony-adjusted measures

Model	PRATIO	PNFI	PCFI
Default model	.867	.642	.665
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

Table 13: RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.068	.061	.075	.000
Independence model	.266	.260	.273	.000

Regarding the relative chi-square, CMIN/DF was 2.651, and this was less than the maximum threshold of 3.0. On the other hand, regarding the baseline comparisons, the Normed Fit Index (NFI) was NFI = 0.940, while the Comparative Fit Index (CFI) was CFI = 0.917 and both were greater than the minimum prescribed 0.90. With respect to the parsimony adjusted measures, the Parsimonious Normed Fit Index (PNFI) was PNFI = 0.642 and the Parsimonious Comparative Fit Index (PCFI) was PCFI = 0.665 and again, both measures were greater than the prescribed minimum of 0.50. Lastly, the Root Mean Square Error of Approximation (RMSEA) was RMSEA = 0.068, and this was less than the maximum prescribed 0.08. Based on the foregoing, we confirm that the SEM model tested above had a good fit and that the model was consistent with the empirical data.

The study findings show that all the five strategic leadership roles of a CEO have a significant impact on the performance of SMEs in Zimbabwe. The study findings are encouraging bearing in mind that the Zimbabwean economy today largely thrives on the rapid development and growth of the SMEs sector, necessitated by the massive relocation by established corporations to neighbouring Southern African Development Community (SADC) economies during the economic meltdown of 2008-2009. While strategic leadership literature encourages CEOs to diligently execute their strategic roles to enhance performance, such roles are not well defined in SMEs. Garavan et al (2015) point out that SMEs CEOs/owners usually fail to strike a difference between their operational and strategic roles. This dilemma emanates from CEOs/owners who never trust their top subordinates, driven by fear of losing control of their organisations. They instead, prefer to operate in secrecy and avoid making key strategic choices in conjunction with their top managers as teams. In concurrence, Magang and Majama (2017), note that SMEs CEOs/owners do not give due importance and consideration to their strategic roles and strategies made are never documented. They further note that SMEs document their strategic visions as a mere formality because the role of developing a strategic vision is not considered important by their CEOs/owners. As a result, scanning the environment becomes less important to the SMEs top managers.

A study by Magaisa, Duggal and Muhwandavaka (2013) shows that Zimbabwean SMEs owner-managers/CEOs, give a blind eye to the role of scanning the environment. Yet according to Oppong-Mensah (2015), environmental scanning enables managers to gather crucial information, which enables them to make precise strategic decisions. Besides, many SMEs CEOs/owners lack such capabilities, which makes the execution of their strategic leadership roles a challenge. The upper echelons perspective as outlined by Hambrick and Mason in 1984, clearly singles out and highlights the making of strategic choices as the most important and critical role of a CEO regardless of the organisation size (Harney, 2016). The CEO is expected to execute this role with due diligence and precision to enhance organisational performance. The world is becoming a global village and competition on the global competitive landscape is bound to be intense as organisations, big or small jostle for positions. In this regard, Madanchian and Taherdoost (2017) advise strategic leaders of SMEs to seriously embrace their strategic leadership roles with rigour and enthusiasm to motivate their subordinates to drive the performance of their organisations well beyond their normal call of duty.

Conclusion and Recommendations

The study aims at encouraging CEOs of small and medium enterprises to value the importance of their strategic leadership roles as senior organisational leaders. It also aims at reminding them of the importance of organisational performance that might suffer in the absence of defined strategic leadership roles. Results show that CEO strategic leadership roles have a significant impact on the performance of SMEs in Zimbabwe. SMEs form the backbone of the Zimbabwean economy, which is mainly informal. Essentially the institutions might not reach their maturity to contribute meaningfully to the Zimbabwean economy if their leaders fail to execute their strategic leadership roles to stimulate performance. In this light, the total commitment by their CEOs and owners to diligently commit themselves to their strategic leadership roles is likely to enhance the overall performance of the SMEs sector and the Zimbabwean economy in general. CEOs/owners of these institutions must appreciate that the growth of SMEs into fully established organisations remains squarely in their hands. Since SMEs face many problems ranging from lack of finance to managerial and marketing skills, the result will encourage the responsible authorities to channel financial resources to the sector and further avail management training courses for its top leadership.

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