

THE ROLE OF TRANSACTIONAL LEADERSHIP STYLE OF OWNER/MANAGERS IN ADOPTING A MARKET ORIENTED CULTURE: A CASE OF MANUFACTURING SME'S

Abstract

The purpose of this study is to examine the possible relationship of transactional leadership style on the three tenets of market orientation, thus, competitor orientation, customer orientation and inter-functional coordination. Questionnaires were used to gather data from 200 owner/managers of manufacturing SME's in the Accra metropolis of Ghana. The collected data from the questionnaires were analysed through the Structural Equation Modelling using the Partial Least Squares approach (SEM-PLS). The findings showed that transactional leadership style had an inverse but a significant relationship to customer orientation and inter-functional coordination. The implication is that, an owner/manager who expresses positive outcomes to employees for performing their duties in line with instructions and also focuses on employee mistakes and complaints and also emphasizes development of process in setting goals, directing, and striving to manipulate and control the situation inhibits the adoption and practice of a market-oriented culture. Also with the manufacturing, SME's in Ghana, adopting a transactional leadership style will not encourage market-oriented culture. It is therefore recommended that owner/managers to adopt other styles of leadership which can translate in the practice of market-oriented culture.

Keywords: *Transactional leadership style, customer orientation, competitor orientation and inter-functional coordination, SMEs, Partial Least Square, Ghana*

1.0 Background

Since 1992, Ghanaian governments have successfully handed over power to other governments without any instability hence making investors have enough confidence without any interruption to their businesses. SMEs constitute the vast majority of businesses in Ghana providing services and goods to large organisations, hence contributing to expanding output, providing value-added activities in the manufacturing sector, creating employment opportunities especially in the services sector, and contributing to widening Ghana's export base (Ghana Investment Promotion Centre, 2010).

According to Bastiat Ghana Institute (2014), 85 percent of the SMEs offer employment in the manufacturing sector and they contribute about 75 percent to Ghana's GDP and account for about 92 percent of businesses in Ghana. Also, statistics from the National Board for Small Scale Industries (NBSSI) indicates that SMEs constitute about 90 percent of the private sector's contribution to the GDP of Ghana. These denote that SMEs, therefore, have catalytic impacts on growth, income and employment opportunities in Ghana. The fast-changing global environment has augmented the complexities of business which demands effective leaders. These leaders must not only be able to understand the rapidly changing business scenario but also be able to adopt the appropriate leadership styles which can enhance or improve small business performance (Hayat & Riaz, 2011).

45 Fiedler (1996), one of the most respected researchers on leadership, provided a
46 treatise on the importance of leadership while arguing that the effectiveness of a leader is a
47 significant factor to the success or failure of a group, organisation, or even an entire country.
48 Indeed, it has also been argued that one way in which businesses have sought to cope with the
49 increasing volatility and turbulence of its external environment is by training and developing
50 leaders and equipping them with the skills to cope with changing environments (Koech &
51 Namusonge, 2012). The study of leadership is deeply attached to culture. Leaders need to
52 practice cultures which will invariably lead to utmost organisational growth and performance.
53 Recent studies (Herath & Mahmoud 2013, Hussain, Ismail & Akhtar, 2015, Appiah-Nimo,
54 Boohene, Gbadeyan & Agyapong, 2016) have begun to link leadership and market
55 orientation behaviour most especially among small firms making it a research priority.

56 Market orientation is seen as an intangible management culture that is linked to the
57 organisation's responses to consumers' needs and wants (Narver & Slater, 1990; Ruckert
58 1992) and hence posited to be a source of competitive advantage (Appiah-Nimo et al., 2016).
59 On the condition that, as the literature suggests, market orientation plays a key role in
60 business profitability, then business leaders need a clearer understanding of it in order to
61 implement the market orientation philosophy. Subsequently, other studies by Dubhilela
62 (2013) and Vieira (2010) have argued that top management is an antecedent crucial to the
63 development of market orientation in businesses. However, there is very little empirical
64 research identifying factors affecting top management behaviour in relation to the
65 development of market orientation in organisations.

66 In Ghana, among the bigger obstacle to SMEs now is access to funding and ability to
67 conduct market research which will go a long way to increase their share of the market and
68 increase their customer base (Bastiat Ghana Institute, 2014). Owner/managers' behaviour is
69 in this sense crucial in the development of a market-oriented culture, mainly because their
70 influence is keenly felt. This study examines the role of transactional leadership style of
71 owner/managers in adopting a market-oriented culture.

72 This paper is organised as follows. The first part looked at the background to the
73 study. The second section examined the theoretical review for the paper. This is followed by
74 the methodology and results and discussions respectively. The final section discussed the
75 conclusions, recommendations and directions for future research.

77 **2.0 Literature review**

78 **Theoretical review**

79 **Leadership theories**

80 The theories of leadership have moved away from traits, behaviour and situational
81 characteristics that determine leadership. Instead, there is now focus on the relationship
82 between leaders and followers. Thus, the theories are based on social-exchange or
83 relationship based theory, which posits that both leaders and followers commit to working
84 together under a satisfying condition (Cleveland, Stockdale & Murphy, 2000). Leadership is
85 defined as a part of management involved with the supervision of others (Fiedler, 1996). De
86 Pree (2004) also defined leadership as the art of influencing others. Thus, effective leaders
87 influence followers in a desired manner to achieve desired goals, and therefore different
88 leadership styles may affect organisational effectiveness or performance. Leadership is
89 perhaps one of the most important aspects of management (Wehrich, Cannice, & Koontz,
90 2008). Hence, leadership is a major factor which contributes to the general wellbeing of
91 organisations (Robbins & Coulter, 2007 and Dauda, 2010).

92 Two influential relationship-based leadership theories are Transformational and
93 Transactional Leadership by Bass and Avolio (1998). Transformational leadership as one of

94 the relationship based theories refers to a leader influencing major changes in the attitudes
95 and assumptions of organisational members and thus building commitment to strategies of an
96 organisation (Yukl & Fleet, 1992). Within the transformational leadership construct, Bass and
97 Avolio identified factors of leadership behaviours that are classified as transformational:
98 Idealized Influence (Attributed and Behaviour); Inspirational Motivation; Intellectual
99 Stimulation; Individualized Consideration. Again, they presented components that are
100 characteristic of transactional: Contingent Reward; Management-By-Exception (Passive and
101 Active). A transformational leader is a person who inspires followers to achieve outstanding
102 outcomes and pay attention to all concerns and needs of followers and thus create positive
103 energy in the followers whereby each individual is concerned for the other's interests
104 (Robbins & Coulter, 2007 and Warrilow, 2012).

105

106 **Transactional leadership style**

107 This is another role differentiation and social interaction form of leadership. However,
108 at this stage of evolutionary development, the influence process has been elevated to
109 acknowledge the reciprocal influence of the leader and subordinate, and the development of
110 their relative roles over time (Dansereau, Graen & Haga, 1975; Duchon, Green & Taber,
111 1986). In this theory, the leader may have different types of transactions and different
112 relationships with different subordinates (Hollander, 1958). Additionally, transactional
113 leaders motivate subordinates through the use of contingent rewards, corrective actions and
114 rule enforcement (Bass, 1985; Bass & Avolio, 1990). Consistent with transformational
115 leadership theory, research has found that transactional behaviours are related to leadership
116 effectiveness in many different types of organisations (Bass, 1997). A transactional leader
117 satisfies employee needs through recognition and rewards for tasks performed for the
118 organisation (Shriberg, Shriberg & Lloyd, 2002). Individuals receive rewards for achieving
119 the goals of the organisation through their performance, with the help of the transactional
120 leader. This relationship between the individual and the transactional leader supports the
121 meaning of exchange between the leader and individual (Tarabishy, Solomon, Fernald, &
122 Sashkin, 2005). A transactional leader expresses positive outcomes to employees for
123 performing their duties in line with instructions and also focuses on employee mistakes and
124 complaints. Leadership drives the success of a small business, and thus, is essential for
125 accomplishing organisational success (Harland, Knight, Lamming & Walker, 2005, and
126 Garcia-Morales, Jimenez-Barrionuevo, & Gutierrez-Gutierrez, 2012). Also, transactional
127 leaders emphasise the development of a process in setting goals, directing, and striving to
128 manipulate and control the situation (McGuire & Kennerly, 2006). This clearly exhibits
129 leaders as having a more significant influence on strategic decision making that affect the
130 firm's culture in all areas; marketing, finance, human resources and also structural
131 developments.

132

133 **Market orientation**

134 Market orientation is deemed as a source of competitive advantage and a key to future
135 organisational success (Langerak, 2003). Narver and Slater (1990) had a goal to broaden the
136 understanding of the components that help to build a market orientated culture in an
137 organisation and propose a useable definition of the concept. They further argued that market
138 oriented organisations are not only focused on customers but also on competitors.
139 Additionally, they placed emphasis on inter-functional coordination (more of internal
140 marketing) which connects all functions in the organisation and become part of the whole
141 organisational culture. Subsequently, this definition was developed: "Market orientation
142 consists of three behavioural components; customer orientation, competitor orientation, and
143 inter-functional coordination." Hence, Narver and Slater argued that profitability is the

144 ultimate goal of a firm, and it results from successful market orientation. A firm can achieve
145 this through the identification and response to customers' needs and providing products and
146 services that satisfy those needs, thus making market orientation the primary instrument in
147 developing a sustainable competitive advantage (Jaworski & Kohli, 1993; Narver & Slater,
148 1990; Kumar, Jones, Venkatesan, & Leone, 2011).

149 **Upper echelon theory**

150 A number of antecedents have been investigated and suggested in the development of
151 a market orientation of an organisation. Kohli and Jaworski (1990) also discussed the senior
152 management factors preceding the adoption of a market orientation. Upper echelons theory
153 posits that strategic choices and performance levels can be predicted by the leadership
154 composition (Hambrick & Mason 1984). This theory posits that observable managerial
155 characteristics are reliable indicators of unobservable perceptions and values because they
156 have an influence on the process of strategic choice and the outcomes resulting from these
157 choices (Carpenter, Geletkanycz, & Sanders, 2004, Nielsen 2010). The values of the top
158 management team can affect the perception of a situation, which then affects the strategic
159 choice (Hambrick & Mason 1984). Additionally, it emphasises that leaders characterised by
160 bounded rationality will make a decision based on their cognitive, social and physiological
161 characteristics (Tinga, Azizanb, & Kweha, 2015).

162 Connecting the theory to the study, SME leadership or the owner/manager exercises a
163 leadership position to fundamentally implement different strategies regarding culture to
164 achieve growth for their firm (Ucbasaran, Westhead & Wright, 2001). Thus, leader's
165 aspirations and competence, as well as their strategic management behaviour, influences the
166 development of the firm (Raymond, Cadieux & St-Pierre, 2012). The upper echelon theory
167 which underpins this study specifically buttresses the idea that indeed leaders/managers
168 influence the decision of the firm greatly and hence the choice of leadership style should be a
169 matter of grave interest. This theory clearly explains the importance of the leader's
170 characteristics in an organisation's pursuit for growth and strategies.

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172 **Leadership style and Market Orientation**

173 Leadership is perceived by extant literature (Bass, 1997, Jogulu, 2010, and Schneider
174 & George, 2011) as the motivation of group processes, where the leader exercises power,
175 influence and a form of persuasion as instruments to achieve particular behaviours. It is
176 widely thought that top organisational leaders within a firm always set the tone for the rest of
177 the organisation. As posited by Slater and Narver (1995), a dynamic environment facilitates
178 the requisite dynamic style of leadership. Also, these leaders or managers encourage an
179 environment where innovation and non-conformation with the status quo is expected (Arham
180 2014). Additionally, Eisenberger, Gonzalez-Moral, and Becker (2010) also found that the
181 leader or owner/manager is prominent for implementing market orientation. The concept of a
182 leaders' risk tolerance relates to the tendency of risk-taking activities. This implies that a
183 market-oriented firm must respond to the constantly changing business environment in order
184 to provide relevant and timely products to meet the demands of consumers. As Jaworski and
185 Kohli rightly put it, "new products and programs often run a high risk of failure and tend to
186 be more salient than established products". Evidently, if a firm is reluctant to accept the
187 possibility of unsuccessful products, then that firm will not achieve a market-oriented culture,
188 because fears of failure will reduce creativity and new product development. On the contrary,
189 if leaders or owner/managers display a willingness to take up risks and accept occasional
190 failures as a cost of competing in a the market, then invariably, subordinates within the firm

191 will share same beliefs and will be more willing to share in the firms' ideas and innovative
192 thinking (Jaiyeoba, Kealesitse & Marandu, 2015).

193 Hence it was hypothesised:

194 **H₁**: Transactional leadership style has a significant relationship with Customer Orientation

195 **H₂**: Transactional leadership style has a significant relationship with Competitor Orientation

196 **H₃**: Transactional leadership style has a significant relationship with Inter-functional
197 Coordination

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199 3.0 Methodology

200 This quantitative study used a descriptive research method to examine the relationship
201 between transactional leadership style and the tenets of market orientation of manufacturing
202 SMEs in the Accra metropolis in Ghana. The objectives of the study informed the decision to
203 adopt a descriptive research design. The total number of manufacturing businesses recorded
204 in the NBSSI's register for 2013 in the Metropolis was 3,474. The study used Bartlett, Kotrlik
205 and Higgins (2001) sample size determination table to determine a sample of 400 respondents
206 out of the 3,474. Lists of all the registered manufacturing SMEs with their contacts were
207 provided by NBSSI. The various manufacturing SMEs were given codes which were written
208 down on pieces of papers and put in a box. The lottery method was used in selecting the 400
209 respondents from thence questionnaires were sent to all those randomly selected. Data was
210 collected between the periods of April – June 2015. Primary data was used for the study and
211 collected through the use of questionnaire. The information requirements of this study
212 enabled the adoption of two measures adapted from extant literature- Multifactor Leadership
213 Questionnaire (MLQ) and Market Orientation (MKTOR). The Structural Equation Model
214 (SEM) utilising the Partial Least Square (PLS) was used to analyse the data. The PLS
215 approach to SEM offers an alternative to covariance-based SEM, which is especially suited
216 for conditions when data is not normally distributed. PLS path modelling is referred to as
217 soft-modeling-technique with minimum demands regarding measurement scales, sample
218 sizes and residual distributions. The SEM-PLS approach provides the capability to estimate
219 PLS path models within the R programming environment.

220

221 **Table 1: Research variables operationalised**

Leadership style	Transactional
	1. I discuss in specific terms who is responsible for achieving performance targets
	2. I wait for things to go wrong before taking action
	3. I show that I am a firm believer in "If it ain't broke, don't fix it."
	4. I concentrate my full attention on dealing with mistakes, complaints, and failures
	5. I direct my attention toward failures to meet standards
	6. I express satisfaction when others meet expectations

Market orientation	Customer orientation
	1. Our business objectives are driven primarily by customer satisfaction
	2. We constantly monitor our level of commitment to serving customers' needs
	3. Our business strategies are driven by our beliefs about how we can create greater value for customers
	4. Our strategy for competitive advantage is based on our successful and unsuccessful customer experience across all business activities
	5. We measure customer satisfaction systematically and frequently
	6. We give close attention to after sales services
	Competitor Orientation
	1. Our sales person(s) and other employees regularly share information within our business concerning our competitors
	2. We respond to competitive actions that threatens us
	3. The owner/manager of the firm regularly discusses competitor strengths and strategies
	4. We always target customers, where we have an opportunity for competitive advantage
	Interfunctional coordination
1. All sales personnel and other employees in the firm regularly share information about customers in terms of their feedback to product/services we offer to them	
2. Owner(s) and employees in the firm communicate freely about our successful and unsuccessful customer experience across all business functions	
3. Owner(s) and employees in the firm are all involved in serving the needs of our target market	
4. All managers/owners and employees understand how everyone in our business can contribute to creating customer value	

Source: Author's construct, 2015

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4.0 Results and Discussions

The questionnaires administered yielded a response rate of 50%, representing 200 respondents. This response rate is reasonable as a comparison to other studies in leadership style and market orientation (Keskin, 2006 and Armario, Ruiz & Amario, 2008). This study used the SEM-PLS to examine the relationship between transactional leadership style and the market orientation indicators of manufacturing SMEs in Accra.

242 **4.1 Demographic Characteristics**
 243 Demographic characteristics of respondents were analysed using cross tabulations.
 244 The results are presented in Table 1.

Table 1: Demographic Characteristics of Respondents

Demographic characteristics		Male (n=124)	Female (n= 76)	Total(n= 200)
Present job position	Owner and Founder	48	19	67
	Manager	56	43	99
	Owner and Manager	19	14	33
	Other	1	0	1
Total		124	76	200

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Age	up to 20 years	0	2	2
	21-30 years	38	19	57
	31-40 years	63	38	101
	41-50 years	15	10	25
	51-60 years	7	7	14
	61 years and above	1	0	1
Total		124	76	200

Highest educational qualification achieved	No formal education	2	2	4
	Basic education certificate	0	2	2
	Junior High School Certificate	0	1	1
	Senior Secondary School Certificate	22	9	31
	Vocational/Technical Certificate	6	10	16
	Diploma/Degree Certificate	63	40	103
	Master's Degree	28	10	38
	PhD	3	2	5
Total		124	76	200

Work experience before commencement of current business	Yes	65	43	108
	No	59	33	92
Total		124	76	200

Previous work experience related to your current business	Yes	64	42	106
	No	60	34	94
Total		124	76	200

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249 **Table 1 continued**

Business startup experience prior to this business	Yes	65	46	111
	No	59	30	89
Total		124	76	200

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	less than 12 months	0	1	1
Length of stay with this firm	1-5 years	59	35	94
	6-10 years	46	26	72
	11-20 years	11	12	23
	more than 20 years	8	2	10
	Total	124	76	200

Source: Field work (2015)

Table 1 shows the present job positions held by the respondents. Out of the 200 respondents, 99 representing 49.5 percent were found in the position of Managers. A total of 67 respondents representing 33.5 percent were in the position of being the Owner and Founder and also, Owner and Managers position were held by 33 (16.5%).

Further, the table reveals that out of 200 respondents, 124 representing 62 percent were males whilst 76 representing 38 percent were females. The results showed an interesting consistency in the male sex dominating. A total of 86.6 percent of owner/managers were male, and 13.4 percent were female in the survey.

A large number of the respondents between 31 and 40 years old were 101 representing 50.5 percent and the lowest number of respondent being one person representing 0.5 percent was in the age range of 61 years and above. The Upper Echelon Theory suggests that the personal characteristics of the members of the top management team play a far more important role than expected. Factors such as age are assumed to affect the decisions made by the top management and subsequently their market orientation. The results suggest that majority of the managers were matured enough to know the kind of marketing strategies to adopt in order to satisfy customers.

Table 1 also shows that majority of the respondents were educated with about 146 (73%) having diploma, degree, master's and doctorate. It was also observed that 50 (25%) of the respondents had some secondary/ commercial/ technical certification. Only four respondents (2%) did not have any formal education. The table furthermore shows that majority of the respondents had diploma/degree certificates, accounting for about 51.5 percent. This also proves that majority of the managers (both men and women) had high educational qualifications which provided a tendency of being market oriented. Kohli and Jaworski (1990) noted education of top managers as a factor encouraging market orientation. Additionally, Chaganti and Parasuraman (1996) also observed that education affects the different ways in which information needs are determined which affects the ability to identify marketing opportunities. The findings also supports that of Becherer, Halstead and Haynes (2001) who also found that owner/managers with less education led firms exhibited a significantly less market orientation. Similarly, a review of literature on the relationship between the level of education of the owner/manager and the performance of the business has established a generally positive relationship (Liedholm & Mead, 1995 and Barringer, Jones & Neubaum, 2005).

The table again shows that among the respondents, most (54%) had some working experience before operating their current business. The implication according to this study is that working experience is very important in operating a small and medium scale enterprise in the manufacturing industry. Again, of the total percentage of respondents who had previous experience before commencing their businesses, Table 1 shows that 53 percent had previous work experience relating to this present one. Among the 200 respondents, 55.5 percent had business start-up ideas prior to this business and 47 percent had been with their present business between 1-5 years of operation. It is followed by 72 (36.5%) respondents who had been with the present firm between 6-10 years. The Upper Echelon Theory (Hambrick &

293 Mason, 1984) suggests that the more strategic a decision, the more important the personal
 294 characteristics of the decision makers, such as age, tenure within the organisation and
 295 specialisation.

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297 **4.2 Analysis of the final Measurement Model**

298 The final measurement model clearly explains how the model was tested using the
 299 factor loadings, composite reliability and discriminant validity. The composite reliability
 300 assisted in evaluating how the measurement model was consistent. The results are shown in
 301 Tables 2 and 3.

302 **Table 2: Final Measurement Model**

Variables	Factor Loadings	AVE	Composite Reliability
Competitor Orientation	.76-.83	.65	.79
Customer Orientation	.71-.81	.57	.73
Inter-functional Coordination	1	1	1
Transactional	.65-.77	.49	.74

303 Source: Fieldwork, 2015

304 Table 2 revealed that the factor loadings of the variables ranged between .65 and .83. The
 305 composite reliability values ranged between .73 and .79 which is greater as compared to the
 306 .70, maximum level suggested by Nunnally (1978). Again, the Average Variance Explained
 307 (AVE) ranged between .49 and .65. Thus, they exceeded the benchmark of 0.4 suggested by
 308 Fornell and Larcker (1981) and Chin (2010). Therefore, these results strengthen the reliability
 309 of the instrument.

310 **Table 3: Discriminant validity**

	ComOrient	CustOrient	IntCoord	Transac
ComOrient	.81			
CustOrient	-.07	.76		
IntCoord	.08	.17	1.00	
Transac	-.19	-.37	-.21	.70

311 Source: Fieldwork, 2015

312 Discriminant validity test aids in ascertaining whether concepts or measurements that are
 313 supposed to be unrelated are, in fact, unrelated (Campbell & Fiske, 1959). Correlation
 314 coefficient between measures of a construct and measures of conceptually different
 315 constructs usually gives evidence of discriminant validity. If the correlation coefficients are
 316 high, it depicts a lack of discriminant validity or weak discriminant validity, depending on the
 317 theoretical relationship and the magnitude of the coefficient. Alternatively, if the correlation
 318 coefficients are low to moderate, this demonstrates that the measure has discriminant validity.

319 **4.3 Structural Model**

320 The test of the structural model, the PLS technique was used to estimate the path coefficients
 321 and *t*-statistics of the relationships between the leadership styles, market orientation and firm
 322 growth. Figure 1 shows the path coefficients of the relationships between the variables.

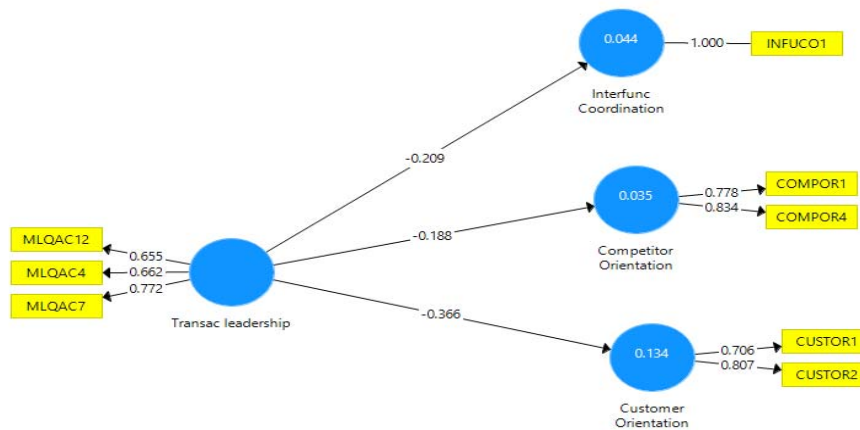


Figure 1: Structural model

Source: Fieldwork, 2015

Hypotheses testing

The study examined the effect of owner/manager leadership style on market orientation of manufacturing SME's in the Accra metropolis. The interpretations of the hypotheses are summarized in Table 3.

Table 3: Path Coefficients

		Original Sample (O)	Standard Error (STERR)	T Statistics ((O/STERR))	P Values
Path Coefficients					
Transac	-> ComOrient	-0.188	0.065	2.895	0.004
	-> CustOrient	-0.366	0.061	5.981***	0.000
	-> IntCoord	-0.209	0.070	2.996**	0.003

* $p < .10$. ** $p < .05$. *** $p < .01$.

Source: Fieldwork, 2015

Table 3 shows that transactional leadership style had a negative but significant relationship with customer orientation ($\beta = -.36$, $t = 5.98$, $p < .05$), and inter-functional coordination ($\beta = -.20$, $t = 2.99$, $p < .05$). This implies a transactional leader does not encourage market orientation. The results are consistent with that of Wong, Saunders, and Doyle (1989), who also surveyed a manufacturing industry and found the most dominant impediment to market orientation practice being management attitudes and behaviours. Likewise, Harris and Ogbonna (1998) also confirmed that a leadership style that seeks to be directive impedes market orientation. The transactional leadership style seeks to allocate tasks and procedures which do not support market orientation development. Harris and Piercy (1999) additionally revealed that formalised, conflicted, or politically motivated management behaviours are negatively associated with the extent of market orientation practiced.

The market orientation concept is explained as a distinct organisational culture, with set of beliefs and values that put the customer at the centre of the business' thinking about strategy and operations (Deshpande & Webster, 1989). Thus, from an individual manager's perspective, top management behaviour is frequently mentioned as a key barrier to developing a market oriented culture (Harris, 1996; Harris & Ogbonna, 1998). Founders of companies play an important role as symbols and influence organisational culture (Harris, 1996). According to Harris, if the owner/manager of the company has a dominant personality and influence in the company; his/her behaviour acts as a major restriction on marketing activity. In sum, existing research of obstacles to market orientation has consistently found

353 leadership behaviour which does not transform followers' behaviour, as a significant obstacle
354 to market orientation development and practice.

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356 **5.0 Conclusions and implications**

357 The findings of this study have implications for the owner/managers of SME's,
358 academic and policymakers with a particular interest in how important leadership style is, and
359 also in developing a market orientated culture for manufacturing SME's in the Accra
360 Metropolis in Ghana. The study revealed that an unrelated antecedent to market orientation is
361 transactional leadership style when the manufacturing sector of SME's is considered. Thus,
362 owner/managers of manufacturing SME's should avoid transactional leadership behaviours if
363 they indeed want to encourage market orientated culture. Accordingly, transactional
364 leadership style is an impediment to the market orientation development. It buttresses the fact
365 that, leaders must rally support from followers if growth is to be achieved. Further, it is
366 widely acknowledged that developing a market orientation is a complex process (Howell &
367 Avolio, 1993) and hence will need support from the whole firm for it to be actualised. For
368 academic purposes, the study contributes to knowledge by providing evidence of relevant
369 market orientation antecedent. It further provides a divergent view on transactional leadership
370 style and market orientation and also broadens understanding of leadership style and its
371 linkages with market-oriented culture. The study recommends that owner-managers not to
372 adopt transactional leadership style if they hope to practice a market-oriented culture as it
373 stiffens processes and leaves no room for creativity by workers. Policymakers should
374 encourage owner/managers to adopt market-oriented cultures that may achieve growth in the
375 long run.

376

377 **5.1 Limitations and directions for future studies**

378 The study focused on manufacturing SMEs in the list compiled by the NBSSI. The
379 results should, therefore, not be generalised for all other sectors of SMEs in other areas.
380 Furthermore, this study only concentrated on a single style of leadership as it relates to
381 market orientation. Further research is suggested on investigating other leadership styles in
382 relation to market orientation. Also, data were collected in 2015, though literature reviewed
383 do not disprove the results found in this study. Finally, a longitudinal study is highly
384 recommended if replication of this study is made due to the high chances of respondents
385 (owner/managers) changing their preferences regarding their leadership styles.

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