Strategic Leadership and Competitive Advantage of Small and Medium Enterprises in Nairobi City County

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Abstract: **Enterprises derive competitive advantage from the implementation of strategic plans creatively and innovatively. A way of achieving a competitive advantage in an organization is to apply strategic leadership in the implementation process. This study evaluates the influence of strategic leadership on the achievement of competitive advantage among SMEs in Nairobi county. The study derived its guide mainly from the Porter five theory on achievement of competitive advantage among firms. The study was a cross-sectional survey that included 186 top and middle-level managers, who participated in the study by responding to online questionnaires as well as hand-delivered. Data for the study was analyzed through descriptive and inferential analysis. With a response of 164 respondents, the results of the study revealed that strategic leadership had a positive and significant influence on the competitive advantage of small and medium firms in Nairobi County. The study recommended frequent training of the employees on leadership, ethics, and integrity issues. The study further recommended that the employees should be aware of the goals, vision, and objectives of the organization at all times to enhance competitive advantage among SMEs in Nairobi City County.**

***Key Words*: Strategic Plans Implementation, Strategic Leadership, Competitive Advantage, Small and Medium Enterprises.**

I. INTRODUCTION

The global business environment has become very dynamic and complex that organizations must keep changing their plans to remain competitive in their market to edge out their competitors. One of the ways is through strategically implementing plans that are relevant, unique, and realistic to achieve a competitive advantage. Strategic management allows organizations to push their competitiveness level above that of their rivals by aligning their operations. The efficacy of the process of implementing a strategy determines its success and therefore developing a capable organization becomes the top priority of the implementation process. It entails nurturing and building competencies and skills, developing an internal structure in the organization that is responsive, and ensuring that people selected to fill key positions are appropriate (Aladwani, 2003).

Porter (2014) indicates that an organization's performance is enhanced by attaining a competitive edge. For the organization to constantly perform, it is required to develop a system of competitive edges that is progressive over time. Each industry has competition rules that appeal to it and it is from the refined recognition of these rules that the competitive strategy of an organization stems. A competitive strategy requires an organization to be different from other organizations in the industry by ensuring that the set of activities chosen ensures a mix of value (Turner & Endres, 2017).

There are three competitive strategy approaches which include low-cost leadership strategy which involves producing services and products at an overall low-cost, differentiation strategy which entails offering different products from the ones being provided by its rivals and lastly, niche or focus strategy which entails focusing on a small portion of the market (Mosoti &Murabu, 2014).

The process of implementing a strategy requires the leadership of the organization to work together with the other staff to ensure the spirit of teamwork is instilled (Mosoti & Murabu, 2014). In other words, the process demands that each person involved in the process should be cooperative and be aware of their responsibilities. In addition, the process of delegating responsibilities is made efficient by ensuring that everyone understands the organization's leadership role in the process of implementing strategies.

Ikupolati et al. (2017) asserts that 90 % of SMEs unsuccessfully implement their strategies due to flaws in the thinking of their leaders. In addition, the leaders adopt a trend of delegating the process of implementing strategies to other people and not caring about the process since they underestimate this challenge. As such, most strategies fail in SMEs not because the strategies are wrong but due to poor execution of the strategy. On the other hand, Muhammad et al. (2020), states that implementing strategies relies on leadership rather than management. In addition, SME owners should lead more and by example and manage less to ensure that the process is successful. Success in an organization is ensured by creating a vision and also igniting the organization to make it a reality (Muhammad et al., 2020).

Ungerman et al. (2018) indicate that through leadership a person can influence the actions or behavior of other people who intentionally wish for major changes. These changes act

as a reflection of the purposes shared between the leaders and the rest of the people. Considering the Virgin Group, its activities cannot be separated from Branson's leadership style and the organization's effective team building. The main factor that has contributed to the Virgin Group's success is the inventive leadership style (Matsiliza, 2018). Similarly, SME owners could contribute to the success of their strategies by adopting a competitive leadership style.

Bagheri (2017) who conducted a study on the importance of using leadership as a means to transmit entrepreneurship in SMEs indicates that through leadership, an entrepreneur's figure is communicated and transmitted to the whole organization. In addition, Alayoubi et al. (2020) who researched the role of the European universities in promoting innovative leadership among SMEs indicates that the leadership's initiative or reluctance either enhances or hinders the collective co-creation that comes from a common understanding of various issues.

Implementing strategies is such a crucial practice in management that organizations faced with change every day have to consider to survive in a business environment faced with stiff competition. Businesses in the Scandinavian countries have emphasized building competitive advantages in their organizations through embracing strategic practices such as strategic communication, strategic allocation of resources, building strategic leadership, and establishment of organizational structure which creates a room that embraces changes (Matsiliza, 2018).

However, according to Salum (2018), most strategies consideration are never implemented no matter how good they looked in writing. Salum (2018) argued that there is a difference between having a strategy in mind and putting one into execution. Strategy implementation requires all stakeholders affected by the much-needed change to work together by showing strategic leadership where top management acts as role models and facilitates the allocation of resources. Managers and strategy implementors also have to allocate resources for the implementation of the strategies according to the strategic plans. Contradicting results have been posited by scholars who have carried out studies on strategy implementation, for instance, Mwanthi (2018) noted that in private universities in Kenya Implementation of strategies posited no significant influence on the performance, furthermore, Alayoubi et al. (2020) noted that implementation strategies in county governments in Kenya with a case study of Trans-Nzoia County government had a positive impact on county government service delivery to its stakeholders. Different scholars, therefore, do not give a specific direction on the influence of strategic plan implementation and performance. The debate on the influence of strategy implementation is still ongoing and there is no conclusive research on the influence it has on competitive advantage in all sectors of economies to make general remarks. Therefore, the study was conducted to answer the question: what is the influence of strategy implementation through strategic leadership on the competitive advantage of SMEs in Nairobi city County?

II. LITERATURE REVIEW AND HYPOTHESIS

Kihia (2017) sought to determine how the growth of SMEs in Nairobi is impacted by strategic management practices. The study focused on how these management practices could be used effectively to ensure that SMEs gain a competitive edge in the market. The study was descriptive with questionnaires being used to collect data from a sample size of 50 respondents which was obtained from a population of top 100 SMEs in the country through simple random sampling. SPSS was then used to help in the analysis of the collected data. The findings of this study on the effect of incompetent leadership and management on the competitive advantage of SMEs indicated that these SMEs are required to establish a tightly controlled and sound process that encourages a free flow of information between employees and managers on the effectiveness and viability of the implemented strategies. The study further indicated that a clear plan for the assignment of responsibilities of each employee of the organization should be developed to avoid inter-departmental conflicts in the organization.

Kihara (2016) analyzed the implementation of strategy and its link with performance focusing on SMEs involved in manufacturing activities in Kiambu County. The key variables covered by the inquiry include the style of leadership, the structure, technology, and human resources as well as strategic direction. The study was descriptive where data collection was done through questionnaires and interviews. The collected data was then analyzed through inferential and descriptive statistics. The findings of this study indicated that the variables considered in this study promoted the competitive positioning of the entity. The study further indicated that the style of leadership dictated the relationship between employees and management. If the style of leadership is considered ineffective, then the performance of the firm is expected to be lower since the employees are not motivated to come up with ways through which a competitive advantage of the firm can be obtained and sustained.

Waithaka (2017) sought to determine the different determinants of the success of SMEs in Nairobi County. The study focused on identifying how factors such as innovation, strategic leadership, and access to finances help these enterprises to gain a competitive advantage. The study applied a descriptive research approach as the main survey approach for the study. A sample size of 70 respondents was used from whom questionnaires were used to collect data with descriptive and inferential statistics being used to analyze the collected data. The findings of this study indicated that the success of an SME is significantly influenced by effective and strategic leadership since SMEs can gain a competitive advantage through strategic leadership. The study further noted that managers and owners of SMEs should be in a position to understand the dynamic nature of the market which

requires upgrading skills continuously. In addition, the managers should have financial projections of the business that are realistic and concrete for a minimum period of three years.

Chege (2016) sought to determine how different competitive strategies affect the performance and success of Kenyan SMEs. The study focused on differentiation strategies, leadership strategies, and cost focus strategies and their effect on the SMEs' performance. The study was descriptive with a target population of 100 top SMEs. Data collection was done through questionnaires where this data was then analyzed through the use of both qualitative and quantitative analysis. The study's results indicated that SMEs that have cost leadership strategies can protect their market share through successful strategies such as importation of raw materials as well as innovation. The study further indicated that cost is a competitive strategy that can be used by SMEs. SMEs can maintain a low cost to ensure that their products retail at a price that is much lower than that of their competitors but from these low prices, the SMEs can make profits. The study further indicated that through strategic leadership, innovation is achieved to ensure that the businesses adopt the latest technology and the market expands through selling affordable and superior products.

Patel (2016) carried out a study to determine how strategic leadership through management of the finances of SMEs enhances the performance of these SMEs. SMEs based in Nairobi County were the main focus of the study. The study focused on the components involved in the strategic management, potential alternatives involved in the implementation of these strategies, and the challenges involved in the process of implementation. An explanatory, as well as a descriptive research approach, was adopted with secondary and primary data being collected. The main sources of secondary data for this study were the Kenya Chamber of Commerce and Industry as well as the Central Bank of Kenya. questionnaires were used to collect primary data and the analysis of the collected data was done through descriptive and inferential statistics. The study's findings indicated that strategic leadership through financial management promotes effective resource allocation which entails focusing more on the growth and development of the organization. The study further indicated that the finance department is a crucial department that promotes the success of any organization and as such incorporating strategic financial management will result in an added competitive advantage for the organization as financial resources are allocated according to priorities.

The leadership personality sets the climate in the organization and the employees' commitment. Integrity refers to an individual's ability to maintain an upstanding character in terms of honesty, sound judgment, and honesty (Schiff, Biddle, Borenstein, & Laas, 2020). It ensures that leaders are committed to doing the right thing even when no one is watching them. Integrity is exemplified by several personality traits, which are critical for sound decision-making. A person of integrity is reliable and trusted and uses their practices to encourage open and honest communication. According to Alshehhi, Nobanee, and Khare (2018), integrity is based on personal values rather than the desire for personal gain. Maintaining integrity in the workplace is critical as it ensures the workplace has the right environment to succeed. It fosters an open and positive work environment and creates an ethical approach to making decisions in the workplace.

Huberts (2018) explains that integrity is helpful to the organization and the individuals. People of integrity gain trust and respect from their peers and managers, thus enabling them to scale the career ladder. Individuals show integrity by respecting and following the policies set in an organization, besides, people of integrity lead by example through their working styles and attitudes towards others. Furthermore, people of integrity listen to others' opinions regardless of their positions in the organization (Huberts, 2018). They lead by examining, thus setting examples for others to follow. People of integrity are accountable for their mistakes and are honest about their actions. They are open to constructive feedback, thus helping create the right atmosphere in the workplace.

Fairness in the workplace is critical to employee feelings and engagement. It creates an environment whereby employees are compensated based on merits and professional qualifications. Fairness is also concerned with ensuring that the organization's management does not victimize employees in disciplinary cases (Widiatmika & Darma, 2018). Instead, it ensures that disciplinary action is taken on employees based on the magnitude of their mistakes. The managers create a fair environment by encouraging mutual respect in employees. In this regard, the managers must ensure that people in all ranks are held to the same standard of respect. This standard is maintained between managers, employees, and all the workers regardless of their ranks.

The top-level managers and the chief executives must take actions that value other employees. A manager can use employees' feedback to understand how others perceive their behavior and attitudes (Widiatmika & Darma, 2018). Managers and supervisors have to set the tone on how employees work and treat others. In this regard, managers may show gratitude to other employees to encourage others to do the same. Fairness also entails changing rules to accommodate the views of others. An organization ought to change policies and rules that do not promote the environment it is trying to build.

Disclosures and transparency have become critical elements of governance as they offer the basis for making informed decisions in an organization. It guides the potential investors and the critical stakeholders on capital allocations, and a firm's financial performance. The importance of disclosure and transparency in corporate governance has resulted in numerous rules and regulations to ensure reliable disclosures of financial information. These rules and regulations offer standards that companies must follow in their financial

reporting. Disclosure and transparency have taken a new twist whereby organizations are no longer reactively releasing corporate governance disclosures. Firms have become proactive, disclosing information to every stakeholder and the stakeholders' groups. This type of disclosure is part of the corporate social responsibility to position organizations in the market (Widiatmika & Darma, 2018).

Transparency in disclosures requires firms to follow accurate accounting methods that ensure complete and prompt disclosures of the company's financial position. It also requires that firms disclose any conflicts of interest between the shareholders and the directors. Transparency offers checks and balances among the auditors, the board of directors, and other stakeholders (Garde Sanchez et al., 2020). The Sarbanes Oxley act requires firms to clarify the roles of the board of management to ensure stakeholders understand who to hold accountable. While transparency enables investors to make better decisions, it also ensures they have confidence in the fairness of the market. Regulators play an essential role in ensuring the firm adheres to transparency in their disclosures by ensuring that all firms have fair and transparent accounting systems before they compete in an industry. Lack of transparency in disclosures hides the genuine risks involved in a company's decisions.

Companies that lack transparency in their disclosures are inscrutable, risky, and less valuable to investors. For instance, a company that hides the level of debts reduces the investors' ability to estimate the bankruptcy risks. Transparency in disclosures is also vital in enabling the board of directors to manage effectively and take corrective measures when necessary (Garde Sanchez et al., 2020). If an organization is transparent in its disclosures, the investors and the other users of financial information are less likely to be surprised by unknown transactions. Investors and creditors expect an organization to offer clear, reliable, and consistent reporting of events. Transparency in disclosures offers a platform that presents financial information to facilitate informed decision-making in the organization.

Nakpodia, Adegbite, Amaeshi, and Owolabi (2018) show that managers in organizations are responsible for producing truthful financial reports and carrying out the core functions of the business. Managers have to obey the various applicable laws and respond to the expectations of the democratic society in which they operate. Society's expectations are not written down as formal laws, yet firms are expected to adhere to these laws. Responding to such expectations requires firms to deliberate actions through their corporate responsibility strategies. These corporate responsibilities create and enhance a mutually dependent relationship between the business and society. Shareholders expect that their corporations will meet society's expectations even if the firm strives to meet the firm's value.

While external regulations are good in ensuring firms align their social welfare with profit-maximization, their agendas are often subverted by special interest groups. Thus, firms use the stakeholder theory to ensure their actions align with the various interests of the different stakeholders (Huynh, 2020). Firms engage in responsible governance because doing so offers more intrinsic value than the costs that occurred. Doing so enables firms to meet the legitimate claims of the stakeholders. Addressing the interests of the stakeholders increases a company's profitability by enabling it to create a strong brand image in the eyes of the customers. Ethical leadership ensures that firms engage in doing what is legally required by law and engage in responsible activities that may not be recognized by law. The board of directors has to support CSR activities in firms to ensure they create unique value propositions in highly competitive business environments.

Ethical leadership has to ensure that the organization's wealth is evenly distributed. Significantly, managers must invest in human resources and ensure that the corporate culture supports employees' growth. Corporates cannot sustain their profits unless they help their customers achieve the desired productivity and profitability levels (Chizema & Pogrebna, 2019). Corporate leadership ensures that top leaders set the right tone for employees. Managers set an ethical work environment by setting examples for other employees to follow. Responsiveness in corporate leadership requires managers to act decisively to counter a problem. Some of the issues an organization faces include discrimination by suppliers, dishonesty in keeping and enforcing contracts, and bad relationships with customers (Greenwood & Mir, 2018). An organization's relationship with suppliers and business partners may also be tarnished by unfair pricing models and advertisement and product promotion dishonesty. Other issues that may cause ethical dilemmas in organizations include discrimination in the hiring and promoting of employees' tax evasion issues.

The future of the business environment indicates that future problems will still arise, necessitating managers to develop strategies that anticipate and deal with challenges. Leaders have to ensure they align the organization with their values. Importantly, they have to balance corporate social responsibilities with more pressing matters that may cause ethical dilemmas. In this regard, Greenwood and Mir (2018) explain that managers have to deal with cultural and institutional contexts of ethics. Identifying a moral compass does not guarantee that an executive's values will guide the actions of other colleagues in the workplace. The managers' values may not be the most appropriate and practical tools for achieving the desired results in an organization.

Managers' responsiveness must be built on the understanding that they play a crucial role in shaping organizational ethics. They should seize the opportunity to create a climate that strengthens the relationship and reputations upon which their organizations can flourish. Leaders who ignore their role in corporate governance risk will engage in personal and corporate liability in the increasingly challenging legal

environment (Huynh, 2020). Besides, such leaders will derive their organizations' opportunities to create a strong brand image for the consumers. Promoted by the various opportunities for ethical governance, many companies have implemented compliance-based ethics programs that paint the organization in good light. These programs aim at preventing, detecting, and punishing legal violations (Asif, Qing, Hwang, & Shi, 2019).

According to Huynh (2020), accountability and transparency are the same sides of the coin. While firms may not share all their decisions with outsiders, businesses can set the right tone to communicate to shareholders and broader stakeholders. The stakeholders should understand the organization's decision-making process and its role. Besides, they should understand the challenges faced by the board and how they plan to address them. Accountability offers essential information to investors who weigh the various risks and make informed decisions (Nakpodia, Adegbite, Amaeshi, & Owolabi, 2018). Lack of accountability implies that the information offered to investors is not accurate. Such investors can only make ill-formed decisions that react and overreact to situations. Demonstrating accountability in the organization improves stakeholders' trust and increases organizational capital.

The accountability principle ensures that the board can conduct a fair and balanced assessment of the organization's financial position. Accountability issues are addressed in the annual reports by ensuring that the company complies with its business model and strategy. Accountability also ensures that the board is committed to dealing with business risks and viability (Berkovich & Eyal, 2021). Traditionally, accountability issues are associated with the agency theory and focus on dealing with conflicts of interest. Most of these studies examine the impacts of top management's accountability on the organization's turnover. The turnover indicates the board's effectiveness s in managing the organization. Recently, the focus of accountability has shifted from the traditional shareholder-centric approach to corporate governance. More recent propositions on accountability have sought to broaden the boardroom's diversity and inclusivity by ensuring that non-executive directors are included on the board. These non-executive directors are drawn from diverse backgrounds enabling them to represent a wider group (Faraj, 2020).

Hypothesis: HO_1: Strategic Leadership Does Not Significantly Influence Competitive Advantage Among SMEs in Nairobi City County.

III. METHODOLOGY AND DESIGN

Research Design

Descriptive design was applied in this study to determine the relationship between strategic leadership and competitive advantage of small and medium enterprises in Nairobi City County because through descriptive design the researcher was able to obtain data from the respondents on different implementation practices and also report the same without manipulation of the results.

Target Population

The study's target population comprised SMEs in Nairobi which falls within the top 100 SMEs in Kenya. According to Kenya's economic survey (2019), among the top 100 SMEs in Kenya 79 SMEs are from Nairobi County. Besides, a survey by Delloite (2021) revealed that the 79 SMEs in Nairobi County had the following human resource composition and sizes in their organization structure CEOs/ Managing directors /Owners (79), Finance managers (316), General Managers (79), Human Resources managers (237), ICT managers (158), Marketing, Sales, and communication managers (474), Risk and control managers (158), Supply and logistics managers (237), Technical managers (395).

Table 1: Target Respondents

Departments	Respondents Size
CEOs/ Managing directors /Owners	79
Finance department	316
General Managers	79
Human Resources department	237
ICT department	158
Marketing, Sales, and communication department	474
Risk and control department	158
Supply and logistics department	237
Technical department	395
Total	**2133**

Source: Delloitte survey (2021)

Sample and Sampling Techniques

The sampling for the study was determined through the Taro Yamane (1967) formula which is given as follows: n= N/ [1+N (ε^2)]. Where N is the study's population, n is the size of the sample and ε is the allowable error margin provided in the formula. Therefore, given a margin error of 7% the sample was arrived at as follows: n= 2133/ [1+2133 (0.07*0.07)] =186.26, the sample size was therefore 186 respondents. The sampling technique involved stratification according to the various departments where the respondents worked which was also proportional as shown in table 2.

Table 2: Sample Distribution

Departments	Respondents Size	Ratios	Sample Size
CEOs/ Managing directors /Owners	79	0.037	7
Finance department	316	0.148	28
General Managers	79	0.037	7
Human Resources department	237	0.111	21
ICT department	158	0.074	14

Marketing, Sales, and communication department	474	0.222	41
Risk and control department	158	0.074	14
Supply and logistics department	237	0.111	21
Technical department	395	0.185	34
Total	**2133**	**1.000**	**186**

Data and Collection Procedure

Questionnaires were sent to the emails of the respondents as well as hand-dropping where the respondents confirmed their availability. To guarantee the respondents' confidentiality, each questionnaire was issued together with an authorization letter.

Data Analysis and Presentation

Primary data collected was coded to enable the researcher to use SPPSS version 21.0. Because the data was quantitative, data analysis was carried out through descriptive and inferential analysis. Descriptive statistics used comprised the use of frequencies, standard deviations, mean, and percentages. The inferential analysis included regression analysis and correlation analysis. The level of significance was set at 0.05. The results of the study were presented in tables.

A simple-linear regression model was of the following form:

$Y= \beta_0 + \beta_1 X_1 + \acute{\varepsilon}$

Where; Y is the dependent variable (competitive advantage of SMEs in Nairobi, Kenya),

β_0 is the regression constant, X_1 = Strategic Leadership

$\acute{\varepsilon}$ = an error term.

IV. RESULTS AND DISCUSSIONS

Response Rate

186 questionnaires administered in the field yielded 164 responsive questionnaires, which indicated a response rate of 88.17%. Table 3 presents the response rate.

Table 3: Response Rate

Response Rate	Frequency	Percentage
Responded questionnaires	164	88.17
Unresponded to questionnaires	22	11.3
Total	**186**	**100**

Descriptive Analysis of Strategic Leadership Practices

The study adopted a Likert scale with five points of measure strongly agree=5, Agree=4, Neutral=3, Disagree=2, and Strongly Disagree=1. Respondents agreed that: the organization ensures that all employees are aware of the company's vision and mission (M= 3.90, A=64%); management ensures there is good work ethics within the organization such as transparent disclosure (M= 4.02, A=53.7%); the organization's leadership is always giving directions on matters of the smooth running of the organization (M=4.07, SA= 45.7%). Gure and Karugu (2018) agreed with the findings when they posited that SMEs in Kenya are required to achieve the Michael porter strategy requirement of cost leadership, differentiation, and focus for them to achieve competitive advantage. Waihenya (2014) backed the findings of the study when he noted that strategic leadership was a key component in ensuring effective strategic planning and implementation among SMEs in Kenya. Table 4 shows the results.

Table 4: Strategic Leadership Practices

Indicator	SD %	D %	N %	A %	SA %	Mean	Std D
The organization ensures that all employees are aware of the company's vision and mission	3.0	7.9	4.9	64.0	20.1	3.90	.915
The management are trained on accountability	1.2	7.3	6.1	56.1	29.3	4.05	.871
The management ensures there is good work ethics within the organization such as transparent disclosure	1.8	8.5	5.5	53.7	30.5	4.02	.933
The organization's leadership is always giving directions on matters of the smooth running of the organization	2.4	12,2	6.7	32.9	45.7	4.07	1.111
All the management personnel are well trained on leadership and integrity	4.9		6.7	45.7	37.2	4.05	1.050

Descriptive Analysis on Competitive Advantage

The study adopted a Likert scale with five points of measure strongly agree=5, Agree=4, Neutral=3, Disagree=2, and Strongly Disagree=1. The respondents agreed that: The volume of business has been increasing over time in the organization (M=4.04, A=51.2%); the company has experienced an increased market share compared to the competitors (M=4.07, A=41.5%); Our customer service is superior compared to our competition (M=4.16, A=50.6%); the organization also have differentiated goods and services. Table 5 presents the results.

Table 5: Competitive Advantage Practices

	SD	D	N	A	SA		
Indicator	%	%	%	%	%	Mean	Std D
The volume of business has been increasing over time in the organization	3.0	6.7	6.1	51.2	32.9	4.04	.968
The company has experienced an increased market share compared to the competitors	4.3	7.3	6.1	41.5	40.9	4.07	1.071
Our customer service is superior compared to our competition	3.7	7.9	7.3	30.5	50.6	4.16	1.098
We have differentiated our goods and services	3.7	10.4	4.3	36.0	45.7	4.10	1.114
The organization has received awards and certifications from the government and private sector.	6.1	0.6	6.7	50.6	36.0	4.10	.998

Strategic Leadership Practices and Competitive Advantage

Hypothesis Tests were carried out through Anova analysis (ANOVA) and regression coefficients. Tables 6 and 7 and 8 present the findings. Table 6 shows that strategic leadership explains 39.3% of the variation of competitive advantage, Durbin Watson's value was close to 2 therefore the variables did not suffer auto-correlation.

Table 6: Model Summary

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
dimension0	1	.627[a]	.393	.389	.837	1.833

a. Predictors: (Constant), Strategic leadership

b. Dependent Variable: Competitive advantage

Table 7 presented the analysis of variance, F-ratio observed was F=104.897, which was significant at p-value=0.001 which was lesser than the set significance level of 0.05, therefore strategic leadership was found to be significant predictor of competitive advantage among SMEs in Nairobi county.

Table 7: Analysis of variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73.543	1	73.543	104.897	.000[a]
	Residual	113.579	162	.701		
	Total	187.122	163			

a. Predictors: (Constant), Strategic leadership

b. Dependent Variable: Competitive advantage

Table 8 presented regression coefficients. Strategic leadership was a significant predictor of competitive advantage at (β=0.734, t= 10.242 which was associated with a p-value=0.001). The generated *p-value* of 0.001 was less than the set significance level of 0.05, therefore strategic leadership significantly influences the competitive advantage of top SMEs in Nairobi County. The independent variable in the study did not suffer multi-collinearity because the VIF value was exactly 1.000. Waithaka (2017) agreed with the findings of the study while he carried out a study on determinants of successful implementation of strategies among SMEs in Nairobi County. The study emphasized the influence of strategic leadership as a significant factor that had a positive role in strategy implementation.

Table 8: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.208	.287		4.205	.000		
	Stategic Leadership	.734	.072	.627	10.242	.000	1.000	1.000

a. Dependent Variable: Competitive advantage

V. CONCLUSIONS AND RECOMMENDATIONS

Finally, the study concluded that strategic leadership positively and significantly influences the competitive advantage of SMEs in Nairobi County. Therefore, a null hypothesis was rejected that: *strategic leadership does not significantly influence the competitive advantage of top SMEs in Nairobi County.*

The study recommended that strategic leaders practice and instill strategic leadership practices including upholding: integrity, transparency in disclosures, fairness, responsiveness, and responsibility to ensure leaders in organizations act

decisively in ethical situations in achieving competitive advantage. Although the legal framework is essential in enforcing ethical behaviors in an organization, strategic leadership plays an important role in setting the tone to be flowed by other employees because strategic leadership is critical in creating a competitive advantage in an organization.

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