EFFECT OF LEADERSHIP COMPETENCIES ON PERFORMANCE OF STATE CORPORATIONS IN KENYA

JIMMY MUTUKU MWITHI

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Effect of Leadership Competencies on Performance of State Corporations in Kenya

Jimmy Mutuku Mwithi

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DECLARATION

This thesis is my own work and has not been presented for a degree in any other University.

Signed …………………………………………. Date …………………………

Jimmy Mutuku Mwithi

This thesis has been submitted for examination with our approval as the University supervisors.

Signed …………………………………………. Date …………………………

Dr. Susan Were

JKUAT, Kenya

Signed …………………………………………. Date …………………………

Dr. Willy Muturi

JKUAT, Kenya

DEDICATION

I wish to thank all those people who have in one way or another contributed to make this project a success. I am dedicating this thesis to my late Dad and family for their unwavering support. My sincere thanks goes to my supervisors Dr. Susan Were and Dr. Willy Muturi who read all the drafts of this thesis and made useful and constructive critics and suggestions that made me clarify many of my ideas. Above all glory and honor be to God for giving me the strength, grace and divine ability throughout my studies. God bless all.

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ABBREVIATIONS/ACRONYMS

CEO	Chief Executive Officer
CFA	Confirmatory Factor Analysis
CMA	Capital Markets Authority
EFA	Exploratory Factor Analysis
GDP	Gross Domestic Product
GOEs	Government Owned Entities
LMX	Leader–Member Exchange
NSE	Nairobi Securities Exchange
SEM	Structural Equation Modeling
SOE	State Owned Enterprises
SPSS	Statistical Package for Social Sciences
UNCTAD	United Nations Conference on Trade and Development
UTP	Universiti Teknologi Petronas

OPERATIONAL DEFINITION OF TERMS

Leadership competencies –In the hallmarks of leadership competencies, Goleman (2009) sees leadership competencies as traits that exhibits effectiveness in leading change and being a change catalyst, ability to take charge and inspire with a compelling vision, visionary leadership, developing others, conflict management, expertise in building and leading teams, teamwork and collaboration, communication and listening skills, persuasiveness and ability to influence, building bonds and finding a common ground with all kinds of people.

Organization Performance– It is the actual output or results of an organization which is measured by performance; in this case measured by profitability, service delivery, budgetary surpluses among others (Richard, Devinney, Yip & Johnson, 2009).

Self-awareness leadership competencies – Self-awareness means that a person has a deep understanding of his/her emotions, strengths and weaknesses, needs and drives, sources of frustration and reactions to problems (Schein, 2008; Goleman, 2009).

Self-management leadership competencies – Schein 2011) maintains that one has to become a self-manager of one's own defensiveness and its operation before one can realistically assess one's problem or what one's resources are to deal with it. Self-insight enables one to listen to others and assess the value of what they have to offer.

Social awareness leadership competencies – It's the openness and value diversity (Spreitzer *et al.,* 2007; Rhinesmith, 2009). Both Schein (2008) and Goleman (2008) state that Social awareness is fundamental to self-regulation and social awareness, which in turn are fundamental to social skills required for effective relationships management.

Social skills leadership competencies – Social skills emphasize the more informal, person-to-person interaction and an attempt to create opportunities to broaden perspective on local and global challenges (Brake, 2007), and increased ability to manage tensions and to balance global vs. local needs (Gregersen *et al.*, 2008).

State Corporation - an entity established by an order of the president to perform specific functions; a corporate body set up by an Act of Parliament; a company which is wholly owned by government/state corporation or in which the government or state corporation has a controlling majority; and, a subsidiary of a state corporation (Republic of Kenya, 2010).

ABSTRACT

Leadership competencies effectiveness is a requirement for organizations not only to be successful with current undertakings, but also to be successful in the future. Outstanding organizational performance invariably maps to dynamic leadership competencies within an organization. The purpose of this study was to establish the effect of leadership competencies on performance of state corporations in Kenya. The study used cross-sectional survey research design. The study's population was the state corporations in Kenya. The unit of observation was the 187 state corporations. The unit of analysis was a top manager who reports to the CEO in the state corporation. The study used both stratified sampling technique and simple probability sampling to come up with the sample. The study used a cross-sectional survey research design. Cross-sectional surveys involve data collection from a population, or a representative subset, at one specific point in time.

The sample size was 131 state corporations. The study used primary data which was largely quantitative and descriptive in nature. Primary data was collected through questionnaire. A pilot study was conducted to measure the research instruments reliability and validity. Descriptive and inferential analysis was conducted to analyze the data.The data was presented using tables. Results revealed that all the leadership competencies had a positive a significant relationship with the financial performance of state corporations in Kenya. However, the magnitude of the influence was different for the specific leadership competencies. Social awareness leadership competency had the largest effect followed by self-awareness leadership competency then social skills leadership competency and finally the self-management leadership competency.

Further, results revealed that self-awareness leadership competency and social skills leadership competency had a positive a significant relationship with the non-financial performance of state corporations in Kenya while self-management leadership competency and social awareness leadership competency had a positive but insignificant relationship. However, the magnitude of the influence social skills leadership competency was higher than that of self-awareness leadership competency. Further, the results showed that organization size only had a positive and significant moderating effect on the relationship between leadership competencies and non- financial performance of state corporations in Kenya.The study recommended that state corporations should adopt a culture of conducting trainings on leadership competencies. This could go a long way in ensuring better financial and non-financial performance of the state corporations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The dynamics, complexity and diversity, now characteristic of operational environment, are diffusing into the organization needs making increasing demands on management and leadership competencies at all organizational levels (Gregersen, 2010; Harvey & Buckley, 2011).Increasing understanding of different aspects of governance, needs of various factors and their changes will help organizations to meet the new challenges brought by globalization, whether their primary operation environment is domestic, international or global. The development of leadership competencies should be based on the global business strategy which determines what kind of presence is desirable, how many and what types of jobs, projects, task forces, and other types of interactions exist (McCall & Hollenbeck, 2012). Competency development process should start from an analysis of the dynamics of the environment and the core competencies, continuing to identifying the profiles of resources and ending with identification of necessary competencies for specific jobs/functions (Suutari, 2010).

Leadership competencies are observed when a person demonstrates the competencies that constitute self-awareness, self-management, social awareness and social skills at appropriate times and ways in sufficient frequency to be effective in the situation. Most frequently in existing competency, frameworks which indicates that emotional intelligence represents a major component of global leadership competency. Much in line with these are personal attributes which underpin, and determinate how and when, knowledge and skills will be used (Cannavaciulo *et al.*, 2003).

Understanding various attributes of leadership competencies and their interaction is essential for organizations performance and in order for these organizations to work effectively in today's global business environment. The level of this understanding is related to possession of international competencies within an organization (Gupta &

Govindarajan, 2011). Although the need to develop leaders with adequate competencies has become obvious in recent years (Morrison, 2013; Suutari, 2010), there is still a significant gap between the international human resource requirements of a competent leaders and their organization's objectives realization (Adler & Bartholomew, 2012; Engle *et al.*, 2013, Morrison *et al.*, 2013).

Once the specific leader competencies have been identified, the next step is to build bench strength effectively (Gregersen *et al.*, 2009). It has been frequently argued that many managers successful in domestic operations do not, for some reason, succeed in the international arena. The question is: why? What, then, are the competencies required in the global context? There are two basic approaches to this question. First, one may assume that global leaders have competencies different from those needed in the domestic context. The other assumption is that global leaders have just developed their (general) competencies into a higher (global) level. Bartlett and Ghoshal (2012), and Baruch (2012) argue that there is no such thing as a "global manager" or any universal criteria for global managers.

Instead, Bartlett and Ghoshal (2010) see global management as being a task of "a network of specialists including business managers, country managers and functional managers". Yet, they suggest that the top executives are the leaders who manage the complex interactions between the three types of managers, and they must understand the strategic importance of each specialist. Baruch (2012), states that the question is only about conventional managers with a "global mindset" the capacity for appreciating elements of different cultures. Basing on above, it seems that the role of a global leader or manager does exist, no matter what the person(s) playing it is called.

The majority of the research on international assignments and positions has been research about expatriates. Some authors have stated explicitly their focus being on "global" managers/leaders and yet, discuss issues related to the "target country" such as cultural distance. However, a global leader (or manager) is not necessarily an expatriate, and vice versa. The value of an expatriate assignment as a major developmental experience for those pursuing global career is widely acknowledged. Therefore, and because of scarcity of “pure” global Leadership competencies literature, expatriate literature as well as general leadership competencies literature is relevant also when studying leaders and governance. Overall, the previous research on leadership competencies has been dispersed and more synergistic research is needed, together with a more comprehensive theoretical framework, to understand the processes and interactions underlying the development of leadership competencies potential (Baruch, 2012).

World over, state corporations, variously known as parastatals, State Owned Enterprises (SOE), Government Owned Entities (GOEs) or public enterprises, plays a central role in any country’s socio-economic development. For instance, the World Bank Report (2003) indicates that the state corporations in Kenya accounts for about 80% of economic growth. This has been in line with these corporations objectives of being efficient, cost effective and profitable.

State corporations play a major role in most economies through the provision of public services. In Kenya, they play a significant role in enhancing equitable distribution of development gains and solve regional imbalance; indigenize the economy; provide secure employment; help government to implement and learn from implementation of industrial policy; and, accelerate economic growth through provision of important services such as electricity, water, sugar, seeds and research for agriculture, and marketing to mention but a few (Mwaura, 2007).

1.1.1 Leadership Competencies and Performance of State Corporations in Kenya

In Kenya effective leaders build a sense of community within the workplace, that they not only increase employee retention figures, but they also improve productivity because employees are more willing to follow effective leaders than non - effective individuals. They do not coerce, cajole, threaten, plead, or bargain with their followers. They inspire them to do what needs to be done (Mutung’a, 2006).

State corporations have a significant role to play in provision of services. These services include: provision of utilities, education and health; reviewing, coordinating and implementing policies; correct market failure; preserve and protect Kenya's heritage and culture; exploit social and political objectives; and redistribute income. However, over the years, state corporations have been characterized by low performance and poor service delivery (Okundi, 2013).

Ochola notes that organization leadership competencies in Kenya faces enormous challenges which include: achieving the organization set goals and objectives, directing the organization towards the vision and mission, and being in a position to motivate and manage their employees by identifying their strengths and similarities while valuing their differences in the process of accomplishing the common organizational goals and vision.

1.1.2 State Corporations in Kenya

State corporations in Kenya were initially established by the colonial government with a mandate of providing essential services to white settlers. The corporations during the colonial period were used as tools of excluding Africans from the economy by providing programs that economically and strategically empower white settlers. They mostly comprised of agricultural commodity regulatory and marketing boards for white settlers' produce (Inspectorate of Statutory Boards, 2013). This, however, changed with independence. State corporations were then meant to: bring about equitable distribution of development gains; 'Kenyanize' or indigenize the economy; solve regional imbalance; and, accelerate economic growth (Republic of Kenya, 1965). The Government of the time envisaged that these corporations would be efficient, cost effective and profitable.

The expansion of parastatals in the 1960s and 1970s illustrated how crucial the parastatal sector was in the development process of the economy. However, their role seemed to have changed by the late 1970s and, in turn, the international lending agencies, among other interest groups, started questioning their viability owing to poor performance attributed to lack or dearth of leadership competencies. This was manifested in poor and weak accountability and supervisory structures, financial mismanagement, wastage and other financial irregularities and malpractices. State corporations have been subjected to overlapping laws, mandates and regulations that hinder leadership competencies accountability and autonomy. Due to lack of autonomy in decision-making and given extensive regular interference by parent ministries, these entities are unable to make impartial, fair and rational decisions. Decision-making and service delivery are also hampered by conflicting interests between management and other political actors leading to high turnover of top leadership competencies. Similarly, the sector has been over politicized with recruitment and appointment of board members and senior management positions being dictated by political considerations rather than leadership competencies expertise (Mwaura, 2007).

The Public Service Commission Recruitment and Training Policy, 2005 addressed two HR functions namely recruitment and development with emphasis on individual training for career growth and development. One of the key objectives of this policy is to ensure that public servants possess the necessary knowledge, skills, attitudes and leadership competencies for performance improvement and career progression. However, the policy does not elaborate on the specific leadership competencies. This study underscored this challenge.

1.2 Statement of the Problem

Review of literature shows that most leaders in the state corporations have poor leadership competencies (Baruch, 2012). Despite their important socio-economic roles, most of the state corporations are characterized by inefficiency, losses, provision of poor and unreliable products and services, and lack of accountability, transparency and financial probity. A good example is the recent case of Mumias Sugar Company. Kariuki (2015) reported that Mumias Sugar has almost doubled its loss to Sh 4.6 billion in the 12 months to June 2015 blaming closure of factory and poor sugarcane delivered for the poor result. Announcing its 2015 financial results, Mumias Sugar said that the loss was atop 2014's reported loss of Sh 2.7 billion which ushered Kenya's leading sugar miller to its deathbed. Another example is the Kenya Airways case. According to Nation Juma (2015), Kenya Airways plunged into a record Sh25.7 billion loss after tax for the 12 months that ended in March, the worst performance in the country's corporate history.

Findings of prior studies about the role of leadership competencies on state corporations' performance in other countries are mixed with others establishing that leadership competencies variables are only modestly to weakly relate to performance outcomes. For instance, Karamat (2013) established that leadership competencies are critically important for an organization to achieve a high level of performance in Finland while Wang, Tsui, and Xin (2011) suggest that leadership competencies are not so important in achieving organizational performance in Indonesia. In addition, there exists lack of empirical evidence in Kenya about the effect of leadership competencies on organizational performance. For instance, Bwoma (2011) sought to assess the influence of entrepreneurial skills on performance of youth group projects in Kisii Central District while Achoch, Gakure and Waititu (2014) conducted a study on the influence of self-awareness leadership competencies on transformation of public service reform initiatives. These studies did not link leadership competencies to organization performance. Therefore, the contradictory findings in other countries and lack of empirical evidence in Kenya about the effect of leadership competencies on organizational performance leave a wide knowledge gap which this study sought to fill.

1.3 Research Objectives

1.3.1 General Objective

The study sought to establish effect of leadership competencies on performance of state corporations in Kenya.

1.3.2 Specific Objectives

The study was guided by the following specific objectives:

i. To determine the effect of self-awareness leadership competency on performance of state corporations in Kenya.
ii. To establish the effect of self-management leadership competency on performance of state corporations in Kenya.
iii. To examine the effect of social awareness leadership competency on performance of state corporations in Kenya.
iv. To assess the effect of social skills leadership competency on performance of state corporations in Kenya.
v. To establish the moderating effect of organization size on the relationship between leadership competencies and performance of state corporations in Kenya.

1.4 Hypothesis

This study sought to test the following research hypothesis:-

H_{01}: Self-awareness leadership competency does not significantly influence the performance of state corporations in Kenya.

H_{02}: Self-management leadership competency does not significantly influence the performance of state corporations in Kenya.

H_{03}: Social awareness leadership competency does not significantly influence the performance of state corporations in Kenya.

H_{04}: Social skills leadership competency does not significantly influence the performance of state corporations in Kenya.

H_{05}: Organization size does not have a significant moderating effect on the relationship between leadership competencies and performance of state corporations in Kenya.

1.5 Justification of the Study

Leadership competencies are an important function in any organization as it involves motivating, inspiring and influencing others towards a common organization goal. Each style of and approach in leadership competencies impacts organizational performance differently necessitating this study on how leadership competencies have influenced performance of state corporations. According to Atieno (2009), weak or poor leadership competencies in public sector are usually mirrored in corporations in what is known as the duality of Leadership competencies. Thus, developing good Leadership competencies qualities in state corporations has a positive effect on private corporations; a reverse-mentoring process can occur where companies take the lead and mentor the public sector. The number and scope of collapses or dismal performance of state corporations in Kenya is alarming making study of similar purpose and objective of necessity. Thus, the study would be beneficial to the following groups of persons due to its informational value.

1.5.1 State Corporations and Policymakers

Leadership competencies affect the development, functioning and management of state corporations thus improving the performance of these organizations. In Kenya, due to poor Leadership competencies, parastatals like Pan Paper Mills and Kenya Meat Commission are at the verge of collapsing after incurring heavy losses and debts. Others like Kenya National Assurance Company are under receivership while others such as Uchumi Supermarket and Kenya Creameries Co-operative were privatized after collapsing. The findings and recommendations of the study would be an eye opener to these corporations and provide them with the opportunity of improving its Leadership competencies.

Despite of the existence of legal provisions and framework, general Leadership competencies ethical standards of corporations have been wanting. The findings of this study will facilitate the availability of information for regulatory bodies such as CMA and NSE (in case of listed state corporations such as Kenya Power and Lighting Company) or supervisory bodies such as Inspectorate of State Corporations, Controller and Auditor-General. The study will provide invaluable input on Leadership competencies of state corporations which they will adopt in formulating laws and regulations affecting their Leadership competencies.

1.5.2 Kenyan Citizens or the Public

Strengthening leadership competencies at corporation level might be a viable option for Kenya as a country which is faced by major Leadership competencies challenges characterized by corruption and misallocation of resources. Better performing public sector owing to good Leadership competencies would contribute to improved economic performance which will be beneficial to the entire country. Besides, better performance would lead to better, efficient and effective service delivery to the citizens and advantageous as such since state corporations providing utility services do not receive competition from the private sector.

1.5.3 Donor and Creditors

Additionally, bilateral and multilateral donor organizations and creditors wish to know Leadership competencies of state corporations so as to make informed decisions on whether to finance them or not. This study will highlight the Leadership competencies in the state corporations and provide suggestions for remedy. The donors and the government will, therefore, realize value for every shilling they spend in accountable, transparent and properly led corporations. This will further have a trickle-down effect on the economy.

1.5.4 Researchers and Scholars

Lastly, given the limited knowledge in the same field, the findings of this study may also be used as a source of reference for other researchers. Similarly, this study will be of great significance to the academicians and Leadership competencies consultants as they seek to increase their knowledge on the effect of Leadership competencies on the performance of state corporations in Kenya.

1.6 Scope of the Study

The scope of the study encompassed all the state corporations across all sectors in Kenya, categorized into: purely commercial; state agencies executive agencies; state agencies independent regulatory agencies; state agencies research institutes; public universities, tertiary education and training institutes and state corporations with strategic functions. By 2014, there were 187 state corporations which formed the unit of observation for this study. The study population was the 187 state corporations. The study used stratified random sample technique and convenience sampling to obtain a sample size. Geographically, the study was conducted on the corporations' headquarters. Conceptually, the study investigated various aspects of leadership competencies including: self-awareness leadership competencies, self-management leadership competencies/competence, social awareness leadership competencies and social skills leadership competencies.

1.7 Limitations of the Study

A number of limitations were faced during the study. There was difficulty in gaining access to the sampled respondents who work in the state corporations. Additionally, the conservative nature of some corporations and oaths of secrecy administered on their employees regarding information disclosure rendered data collection difficult. To delimit this limitation, the researcher reached the prospective respondents and asked for permission from the corporations' management so as to get introduction letter and requisite permission for collecting data.

There was difficulty in gauging the objectivity of the respondents in responding to the research instruments especially owing to the information sought by the study. This limitation was overcome by obtaining official consent to carry out this study among the selected state corporations and assuring the respondents that confidentiality would be maintained and the information used for academic purposes only.

The limitations of the study is included in the methodology; that is, the method that established internal and external validity of findings. This includes: the error drawing descriptive or inferential conclusions from sample data about a larger group. Data drawn from a truly representative sample allowed the study to make generalizations assuming the sample is large enough and randomly selected. To overcome this limitation, the study used 70% of the population in calculating the sample size which was large enough to ensure normal distribution.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature related to the study variable. It entails literature on self-awareness leadership competencies, self-management leadership competencies /competence, social awareness leadership competencies and social skills leadership competencies. The section is divided into: theoretical review, empirical review, critique of literature, knowledge gap and summary.

2.2 Theoretical Review

A theoretical framework is a collection of interrelated concepts. It guides research to determine what things to measure, and what statistical relationships to look for (Defee, Randal, Thomas & Williams, 2010). Esper, Mentzer, Stank (2008) emphasis that a good research should be grounded in theory. This study was built on the underpinning theories, including trait theory, agency theory, stewardship theory and internal control theory.

2.2.1 Trait Theory

The trait theory attempted to identify specific physical, mental, and personality characteristics associated with Leadership competencies success, and it relied on research that related various traits to certain success criteria (Northouse, 2007). This theory argued that leaders are people who can fully express themselves while others cannot, and this is what makes them different from other people. A leader has the right combination of traits which makes him a good leader (Bass, 2000). The meaning of this theory is that the same leadership competencies attributes are applicable for leadership competencies on a battlefield, non-profitable organization, and profitable organizations. This theory is relevant to this study since it elaborates on the characteristics of a good leader. For instance, the theory posits that the character of a leader is what determines whether he/she will be a good or a bad leader. This theory addresses the variable leadership competencies.

2.2.2 Agency theory

It has been pointed out that separation of control from ownership implies that professional managers manage a firm on behalf of the firm's owners (Kiel & Nicholson, 2003). Conflicts arise when a firm's owners perceive the professional managers not to be managing the firm in the best interests of the owners. According to Eisenhardt (1989), the agency theory is concerned with analyzing and resolving problems that occur in the relationship between principals (owners or shareholders) and their agents or top management. The theory rests on the assumption that the role of organizations is to maximize the wealth of their owners or shareholders (Blair, 1995).

The agency theory holds that most businesses operate under conditions of incomplete information and uncertainty. Such conditions expose businesses to two agency problems namely adverse selection and moral hazard. Adverse selection occurs when a principal cannot ascertain whether an agent accurately represents his or her ability to do the work for which he or she is paid to do. On the other hand, moral hazard is a condition under which a principal cannot be sure if an agent has put forth maximal effort (Eisenhardt, 1989). According to the agency theory, superior information available to professional managers allows them to gain advantage over owners of firms.

The reasoning is that a firm's top managers may be more interested in their personal welfare than in the welfare of the firm's shareholders (Berle & Means, 1967). Donaldson and Davis (1991) argue that managers will not act to maximize returns to shareholders unless appropriate governance structures are implemented to safeguard the interests of shareholders. Therefore, the agency theory advocates that the purpose of governance is to minimize the potential for managers to act in a manner contrary to the interests of shareholders.

Proponents of the agency theory belief that a firm's top management becomes more powerful when the firm' stock is widely held and the board of directors is composed of people who know little of the firm. The theory suggests that a firm's top management should have a significant ownership of the firm in order to secure a positive relationship between governance and the amount of stock owned by the top management (Mallin, 2004). Wheelen and Hunger (2002) argue that problems arise in corporations because agents (top management) are not willing to bear responsibility for their decisions unless they own a substantial amount of stock in the corporation.

The agency theory also advocates for the setting up of rules and incentives to align the behavior of managers to the desires of owners (Hawley & Williams, 1996). However, it is almost impossible to write a set of rules for every scenario encountered by employees. Consequently, the Australian Stock Exchange Governance Council (2003) associates good governance with people of integrity.

Carpenter and Westpal (2001) argue that the agency theory is mainly applied by boards of profit making organizations to align the interests of management with those of shareholders. Dobson (1991) argues that the demands of profit making organizations are different from those of stakeholders such as shareholders, local communities, employees and customers. The conflicting demands can be used to justify actions that some may criticize as immoral or unethical depending on the stakeholder group.

According to this theory, people are self-interested rather than altruistic and cannot be trusted to act in the best interests of others. On the contrary, people seek to maximize their own utility. The agency theory presents the relationship between directors and shareholders as a contract (Adams, 2002). This implies that the actions of directors, acting as agents of shareholders, must be checked to ensure that they are in the best of the shareholders.

2.2.3 Stewardship theory

The stewardship theory, also known as the stakeholders' theory, adopts a different approach from the agency theory. It starts from the premise that organizations serve a broader social purpose than just maximizing the wealth of shareholders. The stakeholders' theory holds that corporations are social entities that affect the welfare of many stakeholders where stakeholders are groups or individuals that interact with a firm and that affect or are affected by the achievement of the firm's objectives (Donaldson & Preston, 1995). Successful organizations are judged by their ability to add value for all their stakeholders. Some scholars consider the natural environment to be a key stakeholder (Starik & Rands, 1995; Dunphy *et al.,* 2003).

Stakeholders can be instrumental to success and have moral and legal rights (Donaldson & Preston, 1995). When stakeholders get what they want from a firm, they return to the firm for more (Freaman & McVea, 2001).Therefore, leaders have to consider the claims of stakeholders when making decisions (Blair, 1995) and conduct business responsibly towards the stakeholders (Manville & Ober, 2003; White, 2009). Participation of stakeholders in decision-making can enhance efficiency (Turnbull, 1994) and reduce conflicts (Rothman & Friedman, 2001).

According to Kaptein and Van Tulder (2003), corporations adopt reactive or proactive approaches when integrating stakeholders' concerns in decision making. A corporation adopts a reactive approach when it does not integrate stakeholders into its decision making processes. This results into a misalignment of organizational goals and stakeholder demands (Mackenzie, 2007). Some authors attribute scandals such as those of Enron and WorldCom to the failure to consider stakeholder concerns in decision making (Currall & Epstein, 2003; Turnbull, 2002; Watkins, 2003; Zandstra, 2002).

Following these scandals, some governments set up new regulations to align the interests of stakeholders with conduct. For example, the Sarbanes-Oxley Act (SOX) was passed as a result of the Collapse of Enron and WorldCom. Adams (2002) argues that the stewardship theory remains the theoretical foundation for much regulation and legislation. A proactive approach is used by corporations that integrate stakeholders' concerns into their decision-making processes and that establish necessary governance structures (de Wit *et al.,* 2006).

In summary, the stewardship theory suggests that a firm's board of directors and its CEO, acting as stewards, are more motivated to act in the best interests of the firm rather than for their own selfish interests. This is because, over time, senior executives tend to view a firm as an extension of themselves (Clarke, 2004; Wheelen & Hunger, 2002). Therefore, the stewardship theory argues that, compared to shareholders, a firm's top management cares more about the firm's long term success (Mallin, 2004). This theory informs this study in that it asserts that the abilities of the stakeholders impact the performance of an organization directly. Thus, it is expected that good leadership competencies would translate to better organization performance.

2.2.4 Internal Control Theory

This theory was derived by Dr. William Glaser with the science of perceptual Control Theory by William Powers'. This theory is based on the belief that all behavior is internally motivated. When management maintains a business environment that emphasizes an appropriate level of control consciousness, a company is likely to have an effective internal control system.

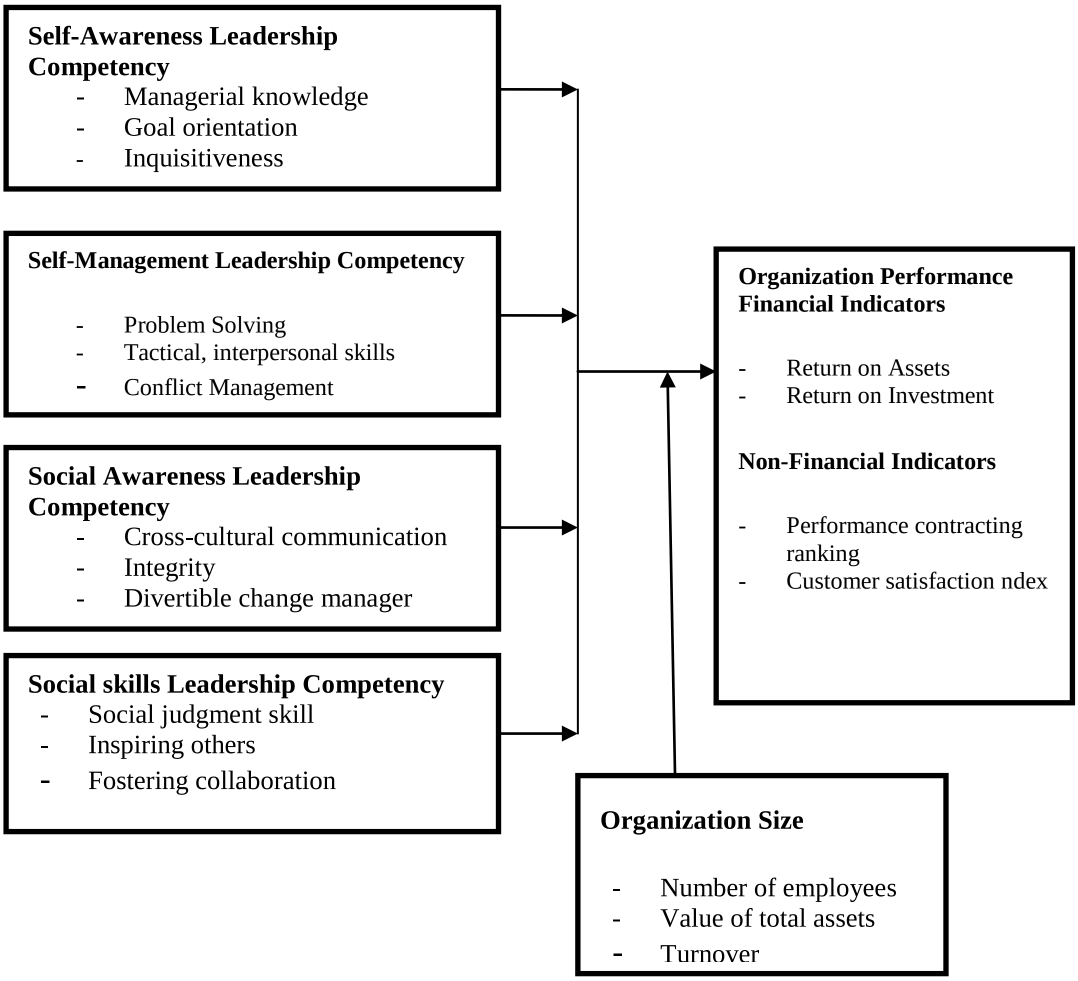
According to Bedard and Chi (1993), the internal control environment is reflected by management's policies that have control implications. Examples of such policies are: a well-publicized statement on conduct, enforcement of policies, tight budgetary controls, support of an effective internal auditing function and practices for hiring personnel with competence and integrity. Top management, the board of directors, and its audit committee are influential in creating an appropriate internal control environment through effective organization structure, sound management practices, adherence to appropriate standards of ethical conduct, and compliance with applicable laws and regulations (Public Company Accounting Oversight Board, 2004).

This theory is relevant to this study in that it reiterates that business environment which the management maintains influences the performance of an organization. Hence, possession of the appropriate leadership competencies would result to better organization performance of state corporations.

2.3 Conceptual Framework

Magenta and Magenta (2003) and Smith (2004), define a conceptual framework a hypothesized model identifying the model under study and the relationship between the dependent and independent variables. The theoretical base of this paper is founded by reviewing the literature. In the literature, causal linkages have been identified among organization performance, self-awareness leadership competencies, self-management leadership competencies, social awareness leadership competencies and social skills leadership competencies. The conceptual framework is as shown in Figure 2.1. Previous studies showed that leadership competencies is a key ingredient for organizational success and has been found to lead to higher performance (Volman, 2007; Michael, 2011; Agha, Alrubaiee & Jamhour, 2011).

Good self-awareness leadership competencies have positive effect on employee commitment and organizational citizenship behavior (Achoch, Gakure & Waititu, 2014). Team leaders' human skills and team self-evaluation significantly influence the effective performance of the team (Zachariah & Taiwo, 2013). A social awareness leadership competency was positively and significantly related to employee performance (Walumbwa, Mayer, Wang, Wang, Workman & Christensen, 2011). Aligning organizational structure with strategy is important as its makes it much easier for management team to push the organization in the direction (Bradford, 2001).



Independent Variable **Moderating Variable** **Dependent Variable**

Figure 2.1: Conceptual Framework Source: Author (2016)

2.3.1 Self-awareness Leadership Competencies

Different self-awareness leadership competencies have variable outcomes under different circumstances. Self-awareness leadership competencies should be adapted to the particular demands of the situation, the particular requirements of the people involved and the particular challenges facing the organization. The major self-awareness leadership competencies include: Leadership competencies, transactional Leadership competencies, democratic leadership competencies, autocratic leadership competencies (Thisera, 2013).

Autocratic or task-oriented Leadership competencies is multifaceted and encompasses a diverse range of behaviors including assigning followers to particular jobs, emphasizing deadlines, checking that followers observe rules and regulations, setting deadlines, and pressuring followers to work hard. Transactional leader influenced employees through the exchange of a good or service that serve as reward and promotions for good work or punishment and undesired action for underperformers. In democratic or employee oriented leadership competencies, leaders hold a good personal relationship with subordinates. A democratic leader takes an interest in the subordinates and likes to ensure that they achieve their goal (Thisera, 2013).

On the other hand, leadership competencies influence people by promoting higher levels of intrinsic value associated with goal accomplishment, emphasizing the linkages between employees' effort and goal achievement, and creating a higher level of personal commitment on the part of the leader and followers to common vision, mission, and organization goals. Transformational leaders stimulate followers to perform beyond the level of expectations. The style is composed of four dimensions of ideals influence, inspirational motivation, intellectual stimulation and individualized consideration (Eisenbach, Watson & Pillai, 2009).

2.3.2 Self-management Leadership Competencies

A competence in general can be understood as the ability of an individual to activate, use and connect the acquired knowledge in the complex, diverse and unpredictable situations. Competencies encompass knowledge, expertise, skills, personal and behavioral characteristics, beliefs, motives, values (Zakaria & Taiwo, 2013). Leaders have to ensure that changes in an organization are accepted and implemented in a way resulting not only in better job performance but also in general understanding and satisfaction of all. Leadership competencies are skills and behaviors that contribute to superior performance of leaders. By using a competency-based approach to leadership competencies, organizations can better identify and develop their next generation of leaders (Koman & Wolff, 2008).

These skills or competencies are enablers of leadership competencies which can be developed, not necessarily inborn, and which is manifested in performance, not merely potential and are acquired talent that leaders develop related to a specific task. While some Leadership competencies are essential to all firms, an organization should also define what Leadership competencies attributes are distinctive to the particular organization to create competitive advantage. A focus on self-management leadership competencies development promotes better Leadership competencies as skills needed for a particular position may change depending on the specific Leadership competencies level in the organization (Shahmandi, Silong, Ismail, Abu-Samah & Othman, 2011). Each skill is necessary for successful leaders to possess, but the amount of each skill may vary depending on position within the organizational hierarchy.

2.3.3 Social Awareness Leadership Competencies

A social awareness leadership competency has two elements. First, ethical leaders must act and make decisions ethically. Secondly, ethical leaders must also lead ethically – in the ways they treat people in everyday interaction, in their attitudes, in the ways they encourage, and in the directions in which they steer their organizations or institutions or initiatives (Wang, Tsui & Xin, 2011). An ethical Leadership competency is both visible and invisible (Andrews, Baker & Hunt, 2011). The visible part is in the way the leader works with and treats others, in his behavior in public, in his statements and his actions. The invisible aspects of Social awareness leadership competencies lie in the leader's character, in his decision-making process, in his mindset, in the set of values and principles on which he draws, and in his courage to make ethical decisions in tough situations.

Social awareness leadership competencies demand ethical behavior all the time, not just when someone's looking; and they're ethical over time, proving again and again that ethics are an integral part of the intellectual and philosophical framework they use to understand and relate to the world (Podolny, Khurana & Hill-Popper, 2010). The major distinguishing feature of Social awareness leadership competencies is its stress on characterized moral perception, moral judgment, moral management, and moral impression (Cannella & Monroe, 2009). Social awareness leadership competencies is mostly related with self-actualization, moral relationship, moral perception, and unbiased dealing (Parboteeah, Chen, Lin, Chen &Chung, 2010).

2.3.4 Social Skills Leadership Competencies

In organizations of any size it is likely that organizational performance should be related to the aggregate effects of leaders at different hierarchical levels (Cha & Edmondson, 2010). Previously, studies of Leadership competencies and organizational success focused on the effectiveness of a single person (the CEO, a general manager, or supervisor), but leaders at different organizational levels are clearly important too. However, in the recent times there is an evident shift in many businesses and not-for-profit organizations transition from the more traditional and hierarchical model of leadership competencies towards collaborative leadership competencies for ameliorating relationships with others. This type of leadership competencies seeks to involve others in decision making, is strongly ethical, and assures the career growth of employees along with better quality of work-life. For a senior leader to affect organizational performance, it requires that managers and employees at lower levels also support the new strategy/vision (O'Reilly, Caldwell, Chatman, Lapiz & Self, 2010).

A majority of the organizations have an intensely rigid hierarchy of leadership competencies into their system. This ushers managers the room to sustain and corporations to leverage their strengths. Nevertheless for corporations that aim to embark on new strategies, they need sustainable and competent Leadership competencies. This is possible only in highly dynamic environment, where hierarchical Social skills leadership competencies and networking skills leadership competencies are surpassed by innovation. Such an environment provides opportunities to employees regardless of their rank and helps propel the organization into a commanding position through collaborative and participatory Leadership competencies (Cannella & Monroe, 2009).

2.3.5 Organization Size

In their meta-analysis, Capon *et al.,* (2009) found that the relationship between the size and firm performance was not significant. Firm size has been recognized as one of the single most dominant variables in firm studies and has been shown to be related to overall industry profitability (Hendricks & Singhal, 2007). Extant literature indicates that the exact relationship between size and performance is equivocal as it influences firm performance in diverse ways. The key characteristics of large firms include diverse capabilities, abilities to exploit economies of scale and scope, market power and poses more formalized procedures. In addition, larger firms encounter less difficulty in accessing credit facilities for investment and have broader pools of qualified human capital (Yang & Cheng, 2009).

The relationship of size and performance is searched by researchers and found presence of significant relationship (Vijayakumar & Tamizhselvan, 2010), as well as an inverse relationship (Hall, 2007). The inverse relationship have been supported by other researchers as well in near past (Barret *et al.,* 2010). Size is not only been studied as an independent variable for measuring performance of the firms but Rauch *et al.,* (2009) concluded that size of firms is an important moderator. Rauch *et al.,* (2009) in that analysis deeply observed number of researches which were conducted taking size of firm as a moderator and inferred a result that severity of impact of all the environmental factors changes with change in the size of organizations. Size of the organization as well as environmental munificence played a role of moderator variable between entrepreneurial orientation and performance (Dess *et al.,* 2007; Zahra, 2006).

Prescott and Vischer (2010) show the positive association between firm size and profitability is a result of the implementation of greater differentiation and specialization strategies which leads to higher efficiency. Supporting this view, Hendricks and Singhal (2010) claim that firm size is an important predictor for financial performance. They argue that the age and size of the firm are associated with inertia. They define inertia as slow adaptation to change or resistance to fundamental changes in conducting business. This view was augmented by Poensgen and Marx (2009) study on 1,478 German manufacturing firms in 31 industries revealed a weak size profitability relationship.

2.3.6 Organization Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs, set goals and objectives (Luthans, 2010). According to Richard *et al.,* (2009) organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment); product market performance (sales, market share); and shareholder return (total shareholder return, economic value added). In today‘s economy, it‘s critical for an organization to get the most productivity from every employee. For an organization to perform well against the preset standards, they must be certain that everyone performs to the best of their ability and delivers significant value to the organization (Drath, 2009). Avery (2008) observes that the quality of Leadership competencies directly and greatly influences an organization‘s performance leading to increasing interest in various Leadership competencies models such as transactional, transformational, servant and situational.

Yulk (2006) posits that there is a fundamental and definitional link between Leadership competencies and performance as it involves communicating to people their worth and potential. Day (2009) states that leadership competencies enables organization achieve specific goals through team building by creating, and maintaining a sense of vision, culture and interpersonal relationships. The core functions of leadership competencies include valuing, visioning, coaching, empowering, team building, promoting quality and listening to the grievances raised by the team members.

According to Nave (2006), the success or failure of the business depends on the self-awareness leadership competencies employed by the leaders. Van Wart (2006) states that all organizations need Leadership competencies to guide organizational operations. Organizations require efficient leaders who are capable of steering people in the right direction to achieve its mission, vision, and to remain faithful to the philosophy and values of the organization. Plowman, Solansky, Beck, and Becker (2007) reiterate that leaders are the problem solvers who are able to guide the organization through challenges and achieve more through others. The ability to unite the organization to work towards the organization's goal is the role of an effective leader and it is critical to the organization's success and performance (Stahl, 2007).

2.4 Empirical Review

This section reviews literature from prior scholars regarding the effect of self-awareness leadership competencies, self-management leadership competencies /competence, social awareness leadership competencies and social skills leadership competencies on performance of state corporations.

2.4.1 Self-awareness Leadership Competencies

Self-awareness means that a person has a deep understanding of his/her emotions, strengths and weaknesses, needs and drives, sources of frustration and reactions to problems (Schein, 2008; Goleman, 2008). Schein (2008) maintains that one has to become aware of one's own defensiveness and its operation before one can realistically assess one's problem or what one's resources are to deal with it. Self-insight enables one to listen to others and assess the value of what they have to offer. This is also related to openness and value diversity (Spreitzer *et al.*, 2007; Rhinesmith, 2006). Both Schein (2008) and Goleman (2008) state that self-awareness is fundamental to self-regulation and social awareness, which in turn are fundamental to social skills required for effective relationships management (Goleman in Bernhut, 2009).

The importance of self-awareness has been referred to and supported by a number of researchers in terms such as maturity (Brake, 2007), self-confidence (Spreitzer *et al.*, 2007; Jordan and Cartwright, 2008; Mumford *et al.*, 2010; Goleman, 2008 & 2010), personal mastery (Goldsmith & Walt, 2009), well developed ego and self-concept (Srinivas, 2007), confidence in one's capabilities, hardiness and courage to take a stand (Spreitzer *et al*., 2007), and as a self-depreciating sense of humor Kets de Vries and Florent-Treacy, 2012 self-awareness has also been described as understanding one's image of one's self and role (Harris & Moran, 2007), understanding one's own values and assumptions (Moran & Riesenberger, 2006), exhibiting character (Black *et al.*, 2009), and questioning one's own assumptions (Srinivas, 2007). Knowing one's strengths and weaknesses is viewed as essential for conscious personal transformation and development. In other words, we cannot change what we don't know. Gupta and Govindarajan (2012) maintain that the more explicitly self-conscious we are, the more likely our current mindset is to change.

Achoch, Gakure and Waititu (2014) conducted a study on the influence of self-awareness leadership competencies on transformation of public service reform initiatives. The exploratory study was conducted on 178 respondents in the civil service deployed in Nairobi using questionnaires. The study found that a leadership competency is important in terms of both perceptions of leader effectiveness and follower satisfaction. The findings further noted effective public sector management reforms to have always depended to some degree on leadership competencies behaviors, and that leaders with transformative characteristics get their followers to perform above and beyond expectations and express high performance expectations. Leaders who exhibit transformational qualities had a positive effect on employee commitment and organizational citizenship behavior.

Shafie, Baghersalimi and Barghi (2013) investigated the relationship between self-awareness leadership competencies and performance in the Real Estate Registration in Tehran province. Using a descriptive correlation method, the study was conducted on 277 staff of Tehran Real Estate Registration. The results showed that development-oriented and a pragmatic- oriented self-awareness leadership competency has a positive impact on employee performance. Self-awareness leadership competencies had a higher association with performance. Pragmatic Leadership competencies proved more successful in stationary environment and more unsuccessful in the dynamic environment than leadership competencies. Laissez-faire leadership competencies led to chaos in the organization.

Koch and Namusonge (2012) investigated the effects of self-awareness leadership competencies on organizational performance of state-owned corporations in Kenya by looking at laissez-faire, transactional and self-awareness leadership competencies. The descriptive study targeted the perceptions of middle and senior managers in thirty (30) state-owned corporations using questionnaires. From the findings, correlations of 0.518 to 0.696, $P < .05$ was established between the transformational-leadership competencies factors and organizational performance; correlations of 0.219 to 0.375, $P < .05$ was established between the transactional-leadership competencies behaviors and organizational performance was laissez-faire self-awareness leadership competencies was not significantly correlated to organizational performance.

Voon, Lo, Ngui and Ayob (2011) conducted a study on the influence of self-awareness leadership competencies on employees' job satisfaction in public sector organizations in Malaysia. The study was conducted on 200 Malaysian executives working in public sectors using questionnaires. The results showed that self-awareness leadership competencies have a positive relationship with job satisfaction whereas transactional self-awareness leadership competencies have a negative relationship with job satisfaction in government organization. The regression results showed that only contingent reward dimension of transactional Leadership competencies has significant relationship with two dimensions in job satisfaction (working condition and work assignment).

Khan, Hafeez, Rizvi, Hasnain and Mariam (2012) investigated the relationship of self-awareness leadership competencies, organization commitment and organization performance. The quantitative research focused on call centers of telecom sector operating in Islamabad and used 245 questionnaires. The findings indicated that employee's organization commitment strongly mediated the process of impact of self-awareness leadership competencies on the organization performance. That is, though self-awareness leadership competencies positively impacted on organization performance, the presence of the organization's commitment boosted the relationship.

2.4.2 Self-management Leadership Competencies

Zakaria and Taiwo (2013) conducted a study on the effect of team leader skills and competencies team based on the assumption that Self-management leadership competencies do affect team performance. The study was conducted in Universiti Teknologi Petronas (UTP) using a survey method on 176 faculty staffs. Structural equation modeling (SEM) technique was employed to analyze the data. The outcomes of the study revealed that team leaders' human skills and team self-evaluation significantly influence the effective performance of the team. Also, team self-evaluation had a direct effect on technical skills.

Moore and Rudd (2011) sought to identify the major leadership competencies skill areas and specific leadership competencies within each skill area needed by Extension leaders. Purposive sampling of 7 administrative heads of agriculture was used. The findings identified six major Leadership competencies skill areas needed by extension leaders: human, conceptual, technical, communication, emotional intelligence, and industry knowledge skills.

Rahman and Castelli (2013) investigated the impact of empathy on leadership competencies effectiveness by testing four hypotheses to determine the relationships between empathy, leadership competencies effectiveness, and leaders' backgrounds using a sample of 216 business leaders located in the United States (51.9%) and Malaysia (48.1%). Davis's Interpersonal Reactivity Index (IRI) was used to measure empathy and to test the impact of empathy on leadership competencies effectiveness in the United States and Malaysia. The results indicate that American business leaders have significantly higher empathy than Malaysian business leaders, and that leaders with higher empathy appear to be more effective. The clear implication is that multinational organizations need to develop leaders with high empathy skills.

Bwoma (2011) sought to assess the influence of entrepreneurial skills on performance of youth group projects in Kisii Central District. The study was conducted through a descriptive survey. Data was collected using questionnaires from 21 youth groups and 302 respondents selected using simple random sampling from the target population of 1400. Data analysis was done using both quantitative and qualitative techniques. Quantitative was analyzed by use of simple descriptive statistics that is tables, frequencies and percentages while qualitative data was analyzed and reported in a narrative. The major findings of the study indicated that youth groups' member need to be encouraged to train in financial management skills, Leadership competencies, marketing and business management skills to help them to earn higher profit margins in their groups hence improved performance. The study recommends that: youth entrepreneurship should be encouraged as an important strategy for integrating the youth in the labor markets thereby addressing unemployment challenges in Kenya and the world as a whole.

2.4.3 Social Awareness Leadership Competencies

Walumbwa, Mayer, Wang, Wang, Workman and Christensen (2011) investigated the link between social awareness leadership competencies and performance using data from the People's Republic of China. Consistent with social exchange, social learning, and social identity theories, the study examined leader–member exchange (LMX), self-efficacy, and organizational identification as mediators of the Social awareness leadership competencies to performance relationship. Results from 72 supervisors and 201 immediate direct reports revealed that Social awareness leadership competencies was positively and significantly related to employee performance as rated by their immediate supervisors and that this relationship was fully mediated by LMX, self-efficacy, and organizational identification, controlling for procedural fairness.

Sabir, Iqbal, Rehman, Shah and Yameen (2012) conducted a study on the impact of corporate ethical values on social awareness leadership competencies and employee performance in the context of Pakistan. The study was conducted considering three variables i.e. corporate ethical values, Social awareness leadership competencies and employee performance. The findings showed that social awareness leadership competencies having no ethical manners is harmful, vicious and even poisonous. Results also revealed that a corporate ethical value is the most important factor for Social awareness leadership competencies and employee performance. So, the two variables (corporate ethical and social awareness leadership competencies) collectively proved a photogenic effect and augment the overall productivity of the employees.

Bello (2012) examined the concept of Social awareness leadership competencies, the characteristics of an ethical leader, Social awareness leadership competencies and its impact on employee job performance and how organizations can develop leaders that are not only sound in character but sound in action. The study concluded that leaders must create an ethically friendly work environment for all employees, communicate ethical issues, serve as role models and put mechanism in place for the development of responsible employees.

Mainga (2012) sought to investigate the inherent steps taken by the specific government entities within the public service in adoption of ethical behavior in line with this piece of legislation. The study adopted a descriptive survey of the target population which is public organizations (parastatals). The sampling procedure used was the simple random procedure. Data collection instruments were questionnaire which comprised of both close ended, open ended and Likert-based questionnaire items. The researcher used the Statistical Package for Social Scientists (SPSS) to undertake descriptive statistics presented in tables and further interpretation provided. The study established that there were no policies within the public service organizations to protect employees who reported unethical conduct. Public service organizations were also found to be wanting in undertaking evaluation of ethical programmes.

2.4.4 Social Skills Leadership Competencies

Both, the social skills and networking skills are frequently discussed under the single term of "relationship management". Here, a distinction is made between the two approaches. Compared with networking skills, which will be discussed next, the social skills emphasize the more informal, person-to-person interaction. In the hallmarks of social skills, Goleman (2008, 2010) includes effectiveness in leading change and being a change catalyst, ability to take charge and inspire with a compelling vision, visionary leadership, developing others, conflict management, expertise in building and leading teams, teamwork and collaboration, communication and listening skills, persuasiveness and ability to influence, building bonds and finding a common ground with all kinds of people. Jordan and Cartwright (2008) description of social skills includes moderate extroversion, listening skills, ability to interact with other people, managing first impressions, and multicultural communicative competence.

Moran and Riesenberger (2006) maintain that socially skillful mangers are able to motivate employees to excellence, negotiate conflicts, and lead and participate effectively in multicultural teams. Mumford *et al.*, (2010) refer to social performance skills that include communication, persuasion, negotiation, and conflict management. Similarly, Brake's (2007) definition of social skills include influencing, cross-cultural communication, conflict management, negotiation, inspiring others, fostering collaboration, and change a gentry. Bennis and Thomas (2012) emphasize the influencing ability referring to social skills as ability to engage others in shared meaning and express oneself with a distinctive and compelling voice. According to Spreitzer *et al*., (2007), interpersonal skills help leaders in bringing out the best in people, increasing their capability for cooperation and team building, ability to attract and develop talent, capacity to motivate and align people to one vision, and oral and written communication. Overall, social skills are outcomes and culminations of other dimensions of emotional intelligence, and combine logical intelligence, emotional intelligence and technical skills into coherent global leadership competence. Social skills make it possible to get the work done through other people and to move people in the desired direction (Goleman, 2008).

2.4.5 Organization Size

Au and Tse's (2007) study in the hotel industry in Hong Kong and New Zealand suggested that the firm size, price, market turbulence, technological turbulence, degree of competition, and the economy interrelate in a multifaceted way and impact on the market orientation and firm performance relationship. This claim was further attested by Mahmoud (2011) on 191 SMEs in Ghana who found that the development of market orientation in the SME sector rests more on the attitude of owners and or managers and that market orientation leads to superior performance under constant competitive conditions. In support, Kinoti's (2012) study established a moderating effect of organizational characteristics measured in terms of age and size of the firm and type of industry and ownership on the corporate image and performance of ISO 9000 and 14000 certified organizations in Kenya.

Aliko (2013) examined the multidimensional impact of culture on organizational performance in selected textile firm from Lagos, Asaba and Kano in Nigeria. The data was collected using both qualitative and quantitative methodologies. The former were collected through interviews and observations while the latter were collected via structured questionnaire and from documents. In all, 630 respondents were used for the study. The respondents were selected using multiple sampling techniques - comprising of (i) stratified random sampling (ii) quota sampling and (iii) systematic sampling techniques. The data were analyzed using parametric and non-parametric statistics.

The main finding of the study was that irrespective of their cultural backgrounds, workers in the textile industry appeared to have imbibed the industrial way of life. The results of the analysis of the cultural variables showed a high level of commitment to work, low level of labor turnover and absenteeism, positive beliefs about work, positive work values, attitudes, and norms in all the firms studied. But these positive attributes of the cultural variables did not translate directly to high level of organizational performance in these mills because some other variables were at work. This was an indication that culture was not the sole determinant of organizational performance. Other factors most especially exogenous variables such as the economy, technology and the murky political climate all influence organizational performance significantly and much more than endogenous variable such as size, structure, and style of management.

Gikunda (2013) sought to establish determinants of organization performance in Kenya banking sector with special focus on tier three Commercial Banks. The research adopted a descriptive survey design on a population of the 43 commercial banks in Kenya. The study utilized both primary and secondary sources of data. Data analysis was done using the facilities for descriptive methods on the Statistical Packages for Social Sciences (SPSS). Based on the findings in relation to specific objective, the study concluded that majority of the organization perceive that alleged that corporate governance affects organization performance. In addition, the study concluded that companies had put in place effective corporate governance systems that shown to implement solid and integrated performance approaches more easily than others and that management in their organization are committed in ensuring the performance of the bank is improved.

Likewise, the study concluded that management most organization consider merit and previous performance of the individual to be mandated in the management position and that bank shares more democratic ownership structures, more balanced and broader governance systems, and a more comprehensive view of organizational goals and performance have also better chances to increase shareholders' loyalty. Finally, the study found that management is committed hence influencing bank performance to a great extent. To technologies advancement, the study concluded that technologies advancement enhancement bank performance where it eases the process and procedure of banking. On bank size, the study concluded that most of the banks had 16-30 branches where number of branches that bank have determines its profitability. Inclusively, the study established that bank size determines bank profitability to very great extent. To financial strategies adopted by the banks, the study concluded that investment management strategy and cash flow management strategy were the main financial strategies adopted by most of tier three banks in Kenya.

2.4.6 Organization Performance

Dyck and Frese (2009) argued that a high-organizational error management culture, conceptualized to include norms and common practices in organizations (communicating about errors, detecting, analyzing, and correcting errors quickly), is pivotal to the reduction of negative and the promotion of positive error consequences. Organizational error management culture was positively related to firm performance across 2 studies conducted in 2 different European countries. On the basis of quantitative and qualitative cross-sectional data from 65 Dutch organizations, Study 1 revealed that organizational error management culture was significantly correlated with both organizational goal achievement and an objective indicator of economic performance. This finding was confirmed in Study 2, using change-of-profitability data from 47 German organizations. The results suggest that organizations may want to introduce organizational error management as a way to boost firm performance.

Prajogo and Sohal (2006) examined the fit of total quality management (TQM) practices in mediating the relationship between organization strategy and organization performance. By examining TQM in relation to organization strategy, the study sought to advance the understanding of TQM in a broader context. It also resolved some controversies that appear in the literature concerning the relationship between TQM and differentiation and cost leadership competencies strategies as well as quality and innovation performance. The empirical data for this study was drawn from a survey of 194 middle/senior managers from Australian firms. The analysis was conducted using structural equation modeling (SEM) technique by examining two competing models that represent full and partial mediation. The findings indicated that TQM is positively and significantly related to differentiation strategy, and it only partially mediates the relationship between differentiation strategy and three performance measures (product quality, product innovation, and process innovation). The implication is that TQM needs to be complemented by other resources to more effectively realize the strategy in achieving a high level of performance, particularly innovation.

Qawasme' and Al-Omari (2013) sought to measure the impact of learning organization's seven key dimensions (continuous learning opportunities, inquiry and dialogue, employee empowerment, establish systems to capture and share learning, connect the organization to its environment, collaboration and team learning, strategic Leadership competencies) on organizational performance in Jordan Telecom. The study also aimed to figure out the type and magnitude of correlation among these seven dimensions as well as to assess the credibility of the questionnaire in a different context such as the Arab business environment. The sample size was (312) employees in this case study. The study results are as follows: The status of the learning organization dimensions was moderate (3.44) out of 5 on 5-step Likert scale. A positive statistical correlation exists among the seven learning organization dimensions as well as a positive statistical correlation with organizational performance. The questionnaire proved to be suitable in the Arab business context. Finally, the study recommended that organizations must consider the seven learning organizations' dimensions due to their role in enhancing organizational performance and assuring a competitive edge.

Muinami (2013) sought to determine the relationship between organization systems and program performance in Kenya NGO's. Purposive sampling was used to select thirty NGOs operating in Nairobi, one respondent from finance or human resource or procurement/supplies and project management units were selected through simple random sampling and questionnaire administered physically. Most respondents of respondents agreed that organization systems affect overall program performance of Kenya NGOs. Organization's performance was significant with fairly strong negative correlation with continuous improvement, factual approaches to decision making, process approach to management, use of standard operating procedures. On contrary only 14.6% of respondent agree that management system is well documented and performance gaps are regularly identified in their organization. The study findings inferred that use of system management approaches in defining the activities necessary to achieve desired results, evaluating risks, measuring of the capabilities of key activities have a major impact on organization program performance. Regression analysis concluded that 24% of the corresponding change in the organizations performance is explained by organization systems. The study recommended that NGOs should integrate, measure, monitor their organization system management for improved performance to accrue the benefits associated with: increased processing delivery speed, improved quality, enhanced employee satisfaction, improved communication, and increased profitability.

2.5 Critique of Literature

The term of "competency" plays the important role in improving job performance and in turn qualifies human resources. Especially, under the climate of globalization, the workplace requires business practitioners to acquire a new set of knowledge, skills, and attitudes to face the diversity and complication of the new business environment successfully. There is a variety of research that clarifies the relationship between competencies and organization performance (McClelland, 2013; Liu, 2010; Levenson, 2006; Ryan *et al.,* 2009). For example, findings of Ahadzie *et al.,* (2009) study demonstrate the suitability and potential usefulness of their competency-based model that reflects elements of both performance behaviors and outcomes in predicting the performance. Similarly, there are other research (Ryan *et al.,* 2009; Spencer *et al.,* 2008) highlighting the validity and utility of competencies in predicting organization performance. However, there are still some confusion and skepticism about the relation between competencies and performance. These are mainly because of the difficulties in assessment of competencies (Currie & Darby, 2007) and the complex and lengthy process required for identifying the appropriate competency performance relationship (Vakola, *et al.,* 2007). In addition to that organizational performance has many dimensions, yet it is not easy to connect individual competencies to organizational performance (Liu, *et al.,* 2010; Vakola *et al.,* 2007).

The literature review of on the effect of type of leadership competencies on performance reflects that leadership competencies are critical in ensuring good organization performance (Karamat, 2013).Although the researchers focusing on leadership competencies have described the importance and causalities or different competencies, they have not often been explicit about the process by which the competencies affect the performance outcome. These have had adverse effects on the performance of many organizations since they are not informed on which competencies matches an organization in a particular sector. This mismatch has resulted to poor performance of these organizations (Baruch, 2012).

2.6 Summary of Literature

This chapter reviewed the various theories that explain the independent and dependent variables. To start with is the trait theory which attempted to identify specific physical, mental, and personality characteristics associated with leadership competencies success. The theory argues that leaders are people who can fully express themselves while others cannot, and this is what makes them different from other people. Secondly, is the agency theory and it is concerned with analyzing and resolving problems that occur in the relationship between principals (owners or shareholders) and their agents or top management. The theory rests on the assumption that the role of organizations is to maximize the wealth of their owners or shareholders. Thirdly, is the stewardship theory and it holds that corporations are social entities that affect the welfare of many stakeholders where stakeholders are groups or individuals that interact with a firm and that affect or are affected by the achievement of the firm's objectives.Fourthly, is the internal control theory. This theory is based on the belief that all behavior is internally motivated. When management maintains a business environment that emphasizes an appropriate level of control consciousness, a company is likely to have an effective internal control system.

The chapter also posits the conceptual framework which presented diagrammatically the independent variables showing the specific constituents that influence a particular variable. For instance, self-awareness leaders are influenced by managerial knowledge, goal orientation and inquisitiveness. Self management leadership competencies are influenced by problem solving, tactical, technical skills and conflict management. Social awareness leadership competencies are influenced by cross-cultural communication, integrity and divertible change manager. Social skills leadership competencies are influenced by social judgment skill, inspiring others and fostering collaboration. The dependent variable (organization performance) is depicted by returns on assets, returns on investment, performance contracting ranking and customer satisfaction. The moderating variable is organization size which will be measured by the number of employees, value of total assets and turnover.

The chapter also explored the conceptualization of the independent and the dependent variables by analyzing the relationships between the two set of variables. With regard to self-awareness leadership competencies, the success or failure of the business depends on the self-awareness leadership competencies employed by the leaders. Leaders have to ensure that changes in an organization are accepted and implemented in a way resulting not only in better job performance but also in general understanding and satisfaction of all. With regard to leadership competencies, a focus on self-management leadership competencies development promotes better leadership competencies as skills needed for a particular position may change depending on the specific leadership competencies level in the organization. With regard to social awareness leadership competencies, Social awareness leadership competencies demand ethical behavior all the time, not just when someone's looking; and they're ethical over time, proving again and again that ethics are an integral part of the intellectual and philosophical framework they use to understand and relate to the world. With regard to Social skills leadership competencies, organizations of any size it is likely that organizational performance should be related to the aggregate effects of leaders at different hierarchical levels.

It is evident from the review that self-awareness leadership competencies, leadership competencies, social awareness leadership competencies and social skills leadership competencies affect organization performance. This effect can either be positive or negative. Finally, an empirical review was conducted where past studies both global and local is reviewed into a critique. It is from these critiques that the research gap was identified.

2.7 Research Gap

A critical review of past literature showed that several conceptual and contextual research gaps existed in the influence of self-awareness leadership competencies, self-management leadership competencies, Social awareness leadership competencies and Social skills leadership competencies on the performance of state corporations. Achoch, Gakure and Waititu (2014) conducted a study on the influence of self-awareness leadership competencies on transformation of public service reform initiatives. There exists an objective gap since this study did not address other variables such as social awareness leadership competencies, and social skills leadership competencies. In addition, there exists a contextual gap in that this study focused on the public service while this study will focus on state corporations.

Zakaria and Taiwo (2013) conducted a study on the effect of team leader skills and competencies team based on the assumption that self-management leadership competencies do affect team performance. The study was conducted in Universiti Teknologi Petronas (UTP) using a survey method. There exists an objective gap since this study did not address other variables such as social awareness leadership competencies, self-awareness leadership competencies and social skills leadership competencies. Similarly, there exists a conceptual gap in that this study used a survey research design while this study will use a cross-sectional research design. In addition, there exists a contextual gap in that the study focused on a university while this study will focus on state corporations.

Sabir, Iqbal, Rehman, Shah and Yameen (2012) conducted a study on the impact of corporate ethical values on Social awareness leadership competencies and employee performance in the context of Pakistan. There exists an objective gap since this study did not address other variables such as leadership competencies, self-awareness leadership competencies and social skills leadership competencies. In addition, there exists a contextual gap in that the study was conducted in Pakistan while this study will be conducted in Kenya.

O'Reilly, Caldwell, Chatman, Lapiz and Self (2010) conducted a study on the effects of leaders' alignment on strategy implementation. The study was conducted in the context of large health care organization physicians in eight specialty departments – emergency. There exists an objective gap since this study did not address other variables such as leadership competencies, self-awareness leadership competencies and social awareness leadership competencies. In addition, there exists a contextual gap in that the study focused on large health care organizations while this study will focus on state corporations.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology that was used, in an attempt to achieve the objectives of the study. The study focused on research design, study population or target population, sample size, sampling techniques, data collection instruments, data collection procedure and data analysis procedures.

3.2 Research Design

Research design is a plan that guides the research in the process of collecting, analyzing and interpreting observations; the researcher's blueprint for the methods and instruments used to gather information and to evaluate it, in order to respond to the research questions of the study (Mugenda & Mugenda, 2009).A research design is a roadmap of how one goes about answering the research questions. Mugenda and Mugenda (2009), states that a good research design had a clearly defined purpose and had consistency between the research questions and the proposed research method. Mugenda and Mugenda (2009) define this as simply the framework or blue print for the research, Orodho (2008) define the research design as a framework for the collection and analysis of data that is suited to the research question. Orodho (2008) also defines research design as the scheme, outline or plan that is used to generate answers to the research problem.

The study used a cross-sectional survey research design. Cross-sectional surveys involve data collection from a population, or a representative subset, at one specific point in time and have an advantage over other research designs that only seek individuals with a specific characteristic, with a sample, often a tiny minority, of the rest of the population (Kothari, 2011).

3.2.1 Research Philosophy

Research philosophy relates to the development of knowledge and the nature of that knowledge, and contains important assumptions about the way in which researchers view the world (Saunders, Lewis & Thornhill, 2007). There are two extreme philosophical views regarding knowledge and reality (schools of thought). These are Positivism (sometimes referred to as deduction research) and Phenomenology (also known as induction research).

This study was guided by the positivist paradigm where scientific processes were followed in hypothesizing fundamental laws then deducing the observations so as to determine the truth or falsify the said hypothesis about the relationship that exists between the types of leadership competencies and the performance of state corporations in Kenya while taking into account the moderating effects of organization size. True to the positivism paradigm, cross-sectional surveys ensure that researchers record the information that is present in a population, but do not manipulate variables which enhance objectivity. Through cross-sectional survey, all population elements were considered ensuring that comprehensive findings are obtained on the subject matter. The choice of cross-sectional survey design is justified since the study dealt with many state corporations.

3.3 Target Population

Population is generally a large collection of individuals or objects that is the main focus of a scientific query and to whose benefit the study is done (Mugenda & Mugenda, 2009). According to Mugenda and Mugenda, (2009) a research population is a well-defined collection of individuals or objects known to have similar characteristics and usually have a common, binding characteristic or trait.

The study's population was the state corporations in Kenya (see Table 3.1). The state corporations are classified into: utilities, regulatory, commercial, industrial, development finance state corporations. Currently there are 187 state corporations in Kenya (Presidential Taskforce on Parastatal Reforms, 2013). The unit of observation was the 187 state corporations. The unit of analysis was a top manager who reports to the CEO of the state corporation.

Table 3.1: Targeted population

Category	Targeted population	Percentage
Utilities	34	18.2
Regulatory	62	33.2
Commercial	25	13.4
Industrial	45	24.0
Development	21	11.2
Total	**187**	**100**

Source: Rok, 2014

3.4 Sample Size and Sampling Technique

Sampling is the process of selecting units (people, organizations) from accessible population so as to fairly generalize results to the target population (Orodho, 2008). This study used stratified random sampling technique. Stratified random sampling technique was used as it ensured that all the categories of state corporations are well represented.

According to Adejimi, Oyediran and Ogunsanmi (2010), stratified technique is advantageous as it samples each sector (stratum) independently by grouping members of the population into relatively homogeneous sub-groups before sampling. This improves the representativeness of the sample by reducing sampling error. The target population was stratified into the 5 strata (utilities, regulatory, commercial or industrial, development finance state corporations). As defined by Mugenda and Mugenda, (2009) any meaningful study of 10% -30% of the sample is adequate which implies that a sample size of 70% of the population was adequate for this study (see Table 3.2). This constituted a sample size of 131 state corporations. One top manager who reports to the CEO was selected to represent each state corporation that was selected.

Equally important is the fact that the researcher must use simple random sampling within the different strata. With this technique the researcher have a higher statistical precision compared to simple random sampling. This is because the variability within the subgroups is lower compared to the variations when dealing with the entire population. Since this technique has high statistical precision, it also means that it requires a small sample size which can save a lot of time, money and efforts of researchers. Stratification may produce a smaller error of estimation than would be produced by a simple random sample of the same size.

Table 3.2: Sample Size

Stratum	No of State Corporations	Sample Size (70%)
Utilities	34	24
Regulatory	62	43
Commercial	25	18
Industrial	45	32
Development	21	15
Total	**187**	**131**

3.5 Data Collection Instruments

Burns and Grove (2003) define data collection as the precise, systematic gathering of information relevant to the research sub-problems, using methods such as interviews, participant observations, focus group discussion, narratives and case histories. This study used primary data. According to Kothari (2008), primary data refers to information that a researcher gathers from the field. Primary data was obtained from the original sources using questionnaires.

Primary data was collected using structured questionnaires which had both close ended and open ended questionnaires. Structured questionnaires refer to questions which are accompanied by a list of all possible alternatives from which the respondents select the answer that best describe their situation (Mugenda & Mugenda, 2009). Structured questions are easier to analyze since they are in the immediate usable form (Orodho, 2008).

3.6 Data Collection Procedure

Kombo and Tromp (2009), states that data collection is important in research because it allows for dissemination of accurate information and development of meaningful programmes. The questionnaires were self-administered. The researcher informed the respondents that the instruments being administered were for research purpose only and the response from the respondents will be kept confidential. The researcher obtained an introductory letter from the University in order to collect data from the field and then delivered the questionnaires to the respondents with the help of a research assistant using the drop and pick later method.

3.7 Pilot Test Study

According to Cooper (2009) a pre-test is a small scale kind of research projects that collects data from respondents similar to those that will be used in the future survey. The aim of a pre-test is to act as a guide to examine specific aspects of research to see if the selected procedures will work as intended. A pre-test is meant to test for clarity and understanding of questions to test if the questions yield as expected. Cooper and Schindler (2006) concur that the purpose of pilot test is to detect weaknesses in design and implementation and to provide proxy for data collection of a probability sample. Sekaran (2008) reinforces that pilot test is necessary for testing the reliability of instruments and the validity of a study. In this study, data collection instrument which was a questionnaire was tested on 10% of the sample of the questionnaires to ensure that it is relevant and effective. In this case one top manager who report to the CEO of the state corporations, was selected to represent each state corporation. These respondents were not included in the final study sample in order to control for response biasness.

3.7.1 Validity of the Instrument

Validity is the degree to which the test measures what it is supposed to measure. The questionnaire should be in line with the definition used in the research. When a measure is reliable and valid the results can be correctly utilized and understood (Elstak, 2013).Validity refers to the extent to which an instrument measures what is supposed to measure, data need not only to be reliable but also true and accurate. If a measurement is valid, it is also reliable (Mugenda & Mugenda, 2009).

This study used both construct validity and content validity. For construct validity, the questionnaire was divided into several sections to ensure that each section assessed information for a specific objective, and also ensured that the same closely ties to the conceptual framework for this study. To ensure content validity, the questionnaire was subjected to thorough examination by two randomly selected state corporations' top managers. They were asked to evaluate the statements in the questionnaire for relevance and whether they were meaningful, clear and polite. On the basis of the evaluation, the instrument was adjusted appropriately before subjecting it to the final data collection exercise. Their review comments were used to ensure that content validity is enhanced.

3.7.2 Reliability of the Instrument

Reliability refers to the consistence, stability, or dependability of the data. Whenever an investigator measures a variable, he or she wants to be sure that the measurement provides dependable and consistent results (Cooper & Schindler, 2006). Reliability in research is influenced by the degree of error. As random error increases, reliability decreases (Mugenda & Mugenda, 2009). In order for results to be usable in further research steps they must be reliable and valid.

The questionnaire was subjected to overall reliability analysis of internal consistency. This was measured using Cronbach alpha as a coefficient of internal consistency. Internal consistency measures the correlations between different items on the same test (or the same subscale on a larger test) and whether several items that propose to measure the same general construct produce similar scores. Castillio (2009) provide the following rules of thumb: >0.9 – Excellent, >0.8 – Good, >0.7 – Acceptable, >0.6 – Questionable, >0.5 – Poor and <0.5 – Unacceptable. The acceptable value of 0.7 was used as a cut–off of reliability for this study.

3.8 Data Analysis and Presentation

According to Zikmund, Babin, Carr and Griffin (2010), data analysis refers to the application of reasoning to understand the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation. According to Hyndman (2008), data processing involves translating the answers on a questionnaire into a form that can be manipulated to produce statistics. This involves coding, editing, data entry, and monitoring the whole data processing procedure. To determine the patterns revealed in the data collected regarding the selected variables, data analysis will be guided by the aims and objectives of the research and the measurement of the data collected.

After quantitative data was obtained through questionnaires, it was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keyed into statistical package for social sciences (SPSS) computer software for analysis. The choice of SPSS version 22 to other statistical software is that it is user friendly. The statistics generated were descriptive statistics and inferential statistics. The specific descriptive statistics included percentages and frequencies while the inferential statistics included a multiple linear regression model. Microsoft excel was used to complement SPSS especially in production of diagrams and tables. Additionally, the study will conduct diagnostic tests. This will include the normality test and the multi-collinearity test.

The multiple linear regression model that was used to measure the relationship between the independent variables and the dependent variable which are explained in the model. The regression model helps to explain the magnitude and direction of relationship between the variables of the study through the use of coefficients like the correlation, coefficient of determination and the level of significance. According to Aiken and West (2009), the moderating variable helped to test whether the prediction of a dependent variable, from independent variables, differs across levels of a third variable. A moderating variable affects the strength and/or direction of the relation between a predictor and an outcome: enhancing, reducing, or changing the influence of the predictor.

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_6 X_5 * X_6 + e$

Where:

Y = Performance of State Corporations

i. $\{\beta_i; i=1,2,3,4,6\}$ = The coefficients for the various independent variables
ii. X_i for;

X_1 = Self-awareness leadership competency

X_2 = Self-management leadership competency

X_3 = Social awareness leadership competency

X_4 = Social skills leadership competency

X_5 = Organization Size

X_6= Composite for Leadership Competencies

In the model *a* is the constant term while the coefficient β_1 to $\beta 5$were used to measure the sensitivity of the dependent variable (Y) to unit change in the independent variable (X_1, X_2, $X_{3,}X_4$, X_5). ε is the error term which captured the unexplained variations in the model. The results were presented in form of tables, pie charts and graphs.

Using SPSS version 22, the regression model was tested to depict the relationship between the dependent and independent variables. The significance of each independent variable was also tested. Fischer distribution test called F-test was applied. It refers to the ratio between the model mean square divided by the error mean square. F-test was used to test the significance of the overall model at a 95 percent confidence level. The p-value for the F-statistic was applied in determining the robustness of the model. The conclusion was based on the basis of p value where if the null hypothesis of the beta is rejected then the overall model was significant and if null hypothesis is accepted the overall model was insignificant. In other words if the p-value is less than 0.05 then it was concluded that the model is significant and has good predictors of the dependent variable and that the results are not based on chance. If the p-value is greater than 0.05 then the model was not significant and cannot be used to explain the variations in the dependent variable.

The moderating variable was the joint effect of organization size and leadership competencies. The joint effect is a product of organizational size composite and leadership competencies composite. The significance of the joint/interaction effect was evaluated for significance at a p value of 0.05. If reported p value was less than 0.05, then the moderating effect was considered to be significant.

CHAPTER FOUR

DATA FINDINGS ANALYSIS AND DISCUSSIONS

4.1 Introduction

This chapter comprises of data analysis, findings and interpretation. Results are presented in tables and diagrams. The analyzed data was arranged under themes that reflect the research objectives.

4.2 Response Rate

The number of questionnaires that were administered was 131. A total of 103 questionnaires were properly filled and returned. This represented an overall successful response rate of 79% as shown on Table 4.1. This agrees with Babbie (2004) who asserted that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good. Based on this assertion 79% response rate is adequate for the study.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	103	79
Unreturned	28	21
Total	**131**	**100**

4.3 Demographic Characteristics

This section analyzes the demographic characteristics of the respondents. This section presents the descriptions of the respondents in terms of their gender, level of education, number of years in current employment and age of the respondents.

4.3.1 Gender Composition of Respondents

The respondents were asked to indicate their gender. Results in table 4.2 reveal that majority (54%) of the respondents were male while 46% were female. This implies that most of the employees working in the state corporations are male. However, the number of female employees in state corporations is more than a 1/3 of the total employees which implies that the gender distribution was above the Constitutional of Kenya (2010) threshold of a 1/3.

Table 4.2: Gender of the Respondents

Gender	Frequency	Percent
Male	56	54
Female	47	46
Total	**103**	**100**

4.3.2 Level of Education of the Respondents

The respondents were asked to indicate their level of education. Results in table 4.3 reveal that majority (80%) of the respondents had attained education up to the university level, 15% of the respondents had attained education up to college level while only 5% of the respondents has attained education up to post graduate level. These findings agree with those of Gathai, Ngugi, Waithaka and Kaminga (2012) who in their study found out that employees in the state corporations are educated with the majority having attained education up to the university level. This implies that top managers in the state corporations are educated. This implies that the managers have the right skills which ought to translate to better performance.

Table 4.3: Level of Education of the Respondents

Level of Education	Frequency	Percent
College Level	15	15
University Level	83	80
Post Graduate Level	5	5
Total	**103**	**100**

4.3.3 Number of Years in Current Employment

The respondents were asked to indicate the number of years they had worked in the current employment. Results in table 4.4 reveal that 41% of the respondents had worked in their current employment for more than 5 years, 30% of the respondents indicated that they had worked in their current positions for 3 to 5 years while 24% of the respondents indicated that they had worked in their current employment for 1 to 2 years. Further, results in table 4.45 reveal that only 5% of the respondents had worked in their current employment for less than one year. These findings agree with those of Nyajom (2013) who in his study found out that 36.6% of the respondents had served in the state corporations for 21 years and above, 26.8% of the respondents had served for 16–20 years, 19.5% had worked in state corporations for 11–15 years, 12.2% had worked for 6–10 years while 4.9% had worked for 1–5 years.

This implies that most of the top managers in the state corporations have been working in their current employment for long periods. This can be explained by the fact the state corporations are good employers and thus most employees don't change jobs quickly as opposed to the private sector. This also implies that the most of the top managers are experienced in their various capacities. Further, linking too the results in the level of education, we can observe that most of top managers have served for long period owing to their academic qualifications.

Table 4.4: Number of Years in Current Employment of the Respondents

Experience	Frequency	Percent
less than one year	5	5
1 to 2 year	25	24
3 to 5 years	31	30
More than 5 years	42	41
Total	**103**	**100**

4.3.4 Age of the Respondents

The respondents were also asked to indicate their age. Results in table 4.5 reveals that 31% of the respondents were aged 51 years and above, 32% of the respondents were aged between 41 – 50 years, 27% of the respondents were aged between 31-40 years while only 10% were below 30 years. This implies that most of the respondents have been employees of state corporations for a long period of time.

This agrees with Jan and Stoeldraijer (2010) who asserted that the age of a person is directly proportional to their input in the work coupled with experience hence the longer employees stick with their organization, the more experienced they become with the working environment. From this information, the researcher was also able to have confidence in the data collected since most respondent (42%) were experienced enough and had adequate relevance skills required to boost the performance of state corporations.

Table 4.5: Age of the Respondents

Age	Frequency	Percent
Below 30 years	10	10
31-40 years	28	27
41-50 years	33	32
51 years & above	32	31
Total	**103**	**100**

4.4 Diagnostic Tests

As mentioned in chapter three, the data was tested for conformity to the assumptions of the classical linear regression model by performing a reliability test, multi-collinearity test and a normality test in both SPSS 22 and STATA 11.

4.4.1 Reliability Analysis

The reliability of an instrument refers to its ability to produce consistent and stable measurements. Castillio (2009) explains that reliability can be seen from two sides: reliability (the extent of accuracy) and unreliability (the extent of inaccuracy). The most common reliability coefficient is Cronbach's alpha which estimates internal consistency by determining how all items on a test relate to all other items and to the total test- internal coherence of data. The reliability is expressed as a coefficient between 0 and 1.00. The higher the coefficient, the more reliable is the test.

Reliability of this instrument was evaluated through Cronbach Alpha which measures the internal consistency. Cronbach Alpha value is widely used to verify the reliability of the construct. The findings in table 4.6 indicated that self-awareness leadership competency had a coefficient of 0.773, self-management leadership competency had a coefficient of 0.838, social-awareness leadership competency had a coefficient of 0.829, social-skills leadership competency had a coefficient of 0.849, organization size had a coefficient of 0.752 and performance of state corporations had a coefficient of 0.905. All variables depicted that the value of Cronbach's Alpha are above value of 0.7 thus the study was reliable (Castillio, 2009). This represented high level of reliability and on this basis it was supposed that scales used in this study is reliable to capture the variables.

Table 4.6: Reliability Coefficient

Variables	Cronbach's Alpha	Comment
Self-awareness Leadership Competency	0.773	Accepted
Self-management Leadership Competency	0.838	Accepted
Social-awareness Leadership Competency	0.829	Accepted
Social-skills Leadership Competency	0.849	Accepted
Organization Size	0.752	Accepted
Performance of State Corporations	0.905	Accepted

4.4.2 Multi-collinearity test

According to William *et al.* (2013), multi-collinearity refers to the presence of correlations between the predictor variables. In severe cases of perfect correlations between predictor variables, multi-collinearity can imply that a unique least squares solution to a regression analysis cannot be computed (Field, 2009). Multi-collinearity inflates the standard errors and confidence intervals leading to unstable estimates of the coefficients for individual predictors (Belsley *et al*., 2008). Correlation analysis was used to conduct the multi-collinearity test. The rule of the thumb is that a correlation between independent variables of more than 0.8 is an indicator of serious multi-collinearity.

Preliminary results indicate that there was no multi-colllinearity between the independent variables and the dependent variable. This was supported by the fact that the pearson correlation coefficient for all the variables was less than 0.8. The pearson correlation coefficient for self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency was 0.388, 0.470, 0.095 and 0.328 respectively all the values were less than 0.8 as shown in table 4.7.

Table 4.7: Multi-collinearity Test using Correlation Analysis

Variables		Performance	Self Awareness	Self Management	Social Awareness	Social Skills
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Self Awareness	Pearson Correlation	0.388	1			
	Sig. (2-tailed)	0.000				
Self Management	Pearson Correlation	0.47	0.469	1		
	Sig. (2-tailed)	0.000	0.000			
Social Awareness	Pearson Correlation	0.095	0.426	0.679	1	
	Sig. (2-tailed)	0.341	0.000	0.000		
Social Skills	Pearson Correlation	0.328	0.136	0.694	0.797	1
	Sig. (2-tailed)	0.001	0.17	0.000	0.000	

4.4.3 Test for Normality of Residuals

The test for normality was first examined using the graphical method approach as shown in the Figure 4.1. The results in the figure indicate that the residuals are normally distributed.

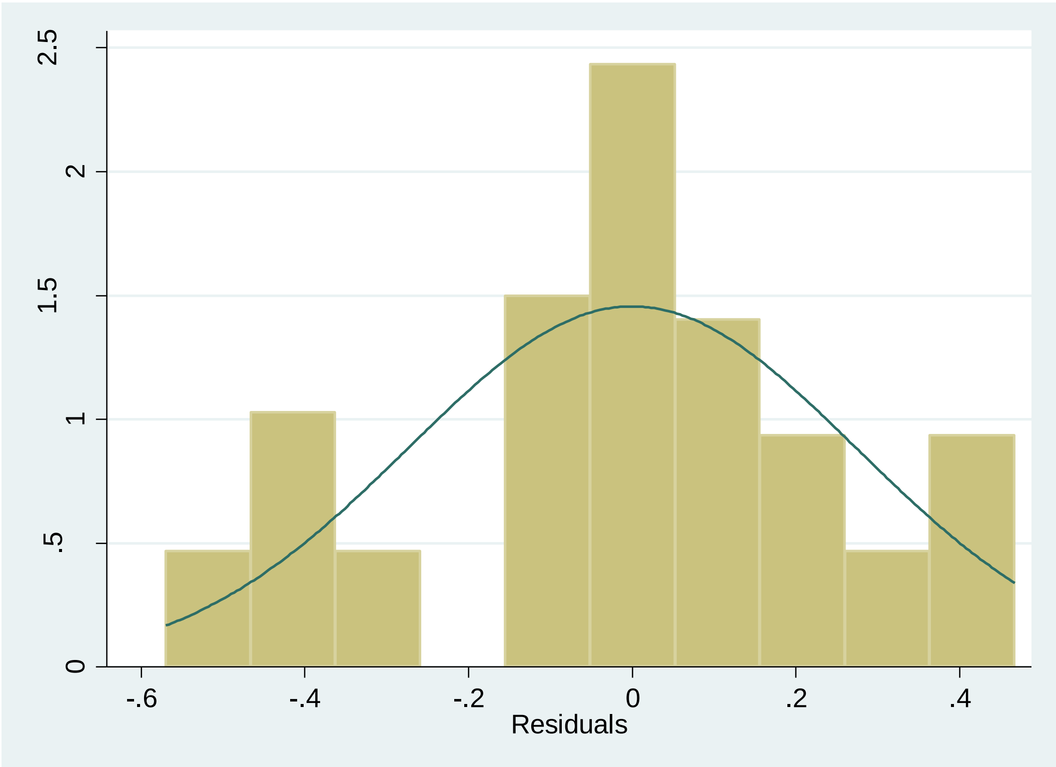


Figure 4.1: Graphical Examination of Normality of residuals

4.5 Self-awareness Leadership Competency

4.5.1 Frequency of Training on Self-Awareness Leadership Competency

The respondents were asked to indicate how frequently their organization has sponsored trainings on self-awareness for the leaders and top management for the last five years. Results are presented in table 4.8 below. In the year 2010, 31% of the respondents indicated that their organization has never sponsored trainings on self-awareness for the leaders and top management, 24% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for two times and for more than two times respectively. Further, the results revealed that 20% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for one time.

Thirty five percent (35%) of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for two times, 30% of the respondents indicated that their organization has never sponsored trainings on self-awareness for the leaders and top management while 25% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for more than two times in 2011. Further, the results revealed that only 10% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for one time in 2011.

In the year 2012, 41% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for more than two times, 24% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for two times while 20% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for one time. Further, the results revealed that only 15%of the respondents indicated that their organization has never sponsored trainings on self-awareness for the leaders and top management.

Forty percent (40%) of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for two times, 35% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for more than two times while 16% of the respondents indicated that their organization has never sponsored trainings on self-awareness for the leaders and top management in 2013.

Further, the results revealed that only 10%of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for one time in 2013.

In the year 2014, 50% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for more than two times, 34% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for two times while 11% of the respondents indicated that their organization has sponsored trainings on self-awareness for the leaders and top management for one time. Further, the results revealed that only 5%of the respondents indicated that their organization has never sponsored trainings on self-awareness for the leaders and top management.

Over the years, results show that the numbers of training are increasing linearly. This could be due to sensitization on the importance of training and capacity building among the state corporations. This shows that the state corporations have embraced the importance of building the capacity of their employees with an aim of boosting the performance. This concurs with the with Gupta and Govindarajan (2012) who reiterated that knowing one’s strengths and weaknesses is essential for conscious personal transformation and development.

Table 4.8: Frequency of Training on Self-Awareness Leadership Competency

Year	**2010**	**2011**	**2012**	**2013**	**2014**
Never	31	30	15	16	5
Once	20	10	20	10	11
Twice	24	35	24	40	34
More than twice	24	25	41	35	50
Total	**100**	**100**	**100**	**100**	**100**

4.5.2 Self-Awareness Leadership Competency and Performance of State Corporations

The respondents were also asked to indicate the influence of self-awareness leadership competency on the performance of their state corporation. Results in table 4.9 show that most of the respondents (76%) indicated that self-awareness leadership competency increased the performance of their state corporation by a range of 6-10%. Results in table 4.8 also revealed that 19%of the respondents indicated that self-awareness leadership competency increased the performance of their state corporation by a range of 0-5% while only 5% of the respondents indicated that self-awareness leadership competency increased the performance of their state corporation by a more than 10%.

These findings are consistent with those of Shafie, Baghersalimi and Barghi (2013) who investigated the relationship between self-awareness leadership competencies and performance in the Real Estate Registration in Tehran province. The results showed that development-oriented and a pragmatic- oriented self-awareness leadership competency has a positive impact on employee performance. Self-awareness leadership competencies had a higher association with performance.

These results imply that self-awareness leadership competency has a positive influence on the performance of state corporations. This puts emphasis on the need to build the capacity of leaders and top managers in their self-awareness leadership competency so as to ensure improved performance of the state corporations.

Table 4.9: Influence of Self-Awareness Leadership Competency

Influence	Frequency	Percent
Increased performance by 0-5%	20	19
Increased performance by 6-10%	78	76
Increased performance by more than10%	5	5
Total	**103**	**100**

4.5.3 Right Combination of Self-Awareness Leadership Competency

The respondents were asked to indicate whether their organization has the right combination of the self-awareness leadership competencies it should use so as to ensure consistency in its performance. Results in table 4.10 reveal that majority of the respondents (95%) indicated that their state corporations have the right combination of self-awareness leadership competencies. Only 5% of the respondents indicated that their state corporations do not have the right combination of self-awareness leadership competencies.

These findings are supported by various authors who emphasized on the importance of self-awareness leadership competencies. They argued that self-awareness leadership competency enhances maturity (Brake, 2007), self-confidence (Spreitzer *et al.,* 2007; Jordan & Cartwright, 2008; Mumford *et al.,* 2010; Goleman, 2008 and 2010), personal mastery (Goldsmith & Walt, 2009), well developed ego and self-concept (Srinivas, 2006), confidence in one's capabilities, hardiness and courage to take a stand (Spreitzer *et al.,* 2007), and as a self-depreciating sense of humor (Kets de Vries & Florent-Treacy, 2012).

This is an indication that state corporations in Kenya are up to the task with regard to building the capacity of their employees especially those in the top management. This can be supported by the results in table 4.8 above which revealed that the number of training on self-awareness leadership competencies has been increasing with time.

Table 4.10: Right Combination of Self-Awareness Leadership Competencies

Response	**Frequency**	**Percent**
No	5	5
Yes	98	95
Total	**103**	**100**

4.5.4 Influence of Right Combination of Self-Awareness Leadership Competency

The respondents who agreed that their state corporation has the right combination of self-awareness leadership competencies were asked to indicate its influence on the performance of their state corporation. Results in table 4.11 below reveal that 42% of the respondents indicated that having the right combination of self-awareness leadership competencies increased the managerial knowledge of leaders, 32% of the respondents indicated that having the right combination of self-awareness leadership competencies increased the ability of leaders to be goal oriented while 27% of the respondents indicated that having the right combination of self-awareness leadership competencies increased the ability of leaders to be visionary. These findings are consistent with those of Khan, Hafeez, Rizvi, Hasnain and Mariam (2012) who investigated the relationship of self-awareness leadership competencies, organization commitment and organization performance. The findings indicated that employee's organization commitment strongly mediated the process of impact of self-awareness leadership competencies on the organization performance.

Table 4.11: Influence of Right Combination of Self-Awareness Leadership Competency

Influence	**Frequency**	**Percent**
Increased the ability of leaders to be visionary	26	27
Increased the managerial knowledge of leaders	41	42
Increased the ability of leaders to be goal oriented	31	32
Total	**98**	**100**

Further, the respondents were asked to indicate other ways in which the use of right combination of self-awareness leadership competencies influenced the performance of your organization. Results revealed that having the right combination of self-awareness leadership competencies increased the performance of staff in their field of duty and also the employees' competencies in work and enhance. They also indicated that it enhanced efficiency in the institution and consequently boosting customer satisfaction.

4.5.5 Influence of Lack of Right Combination of Self-Awareness Leadership Competency

The respondents who indicated that their state corporation does not have the right combination of self-awareness leadership competencies were asked to indicate its influence on the performance of their state corporation. Results in table 4.12 below reveal that all (100%) of the respondents indicated that failure to have the right combination of self-awareness leadership competencies decreased the ability of leaders to be visionary.

Table 4.12: Influence of Lack of Right Combination of Self-Awareness Leadership Competency

Influence	Frequency	Percent
Decreased the ability of leaders to be visionary	5	100
Total	**5**	**100**

4.5.6 Relationship between Self-Awareness Leadership Competency and Performance of State Corporations

4.5.6.1 Relationship between Self-Awareness Leadership Competency and Financial Indicators of Performance

The results presented in table 4.13 present the fitness of model used of the regression model in explaining the study phenomena. Self-awareness leadership competency explained 17.7% of the financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 17.7%. This means that self-awareness leadership competency explain 17.1% of the performance of state corporations in Kenya.

Table 4.13: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.43	0.185	0.177	0.66255

Table 4.14 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant (p value =0.000). The $F_{cal=22.923} > F_{critical =3.933 \text{ at } \alpha\ 0.05}$ which imply that self-awareness leadership competency is a good predictor of the financial performance of state corporations.

Table 4.14: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	10.063	1	10.063	22.923	0.000
Residual	44.336	101	0.439		
Total	54.399	102			

Regression of coefficients results in table 4.15 shows that there is a positive and significant relationship between self-awareness leadership competency and financial performance of state corporations as supported by a p value of 0.03 and a beta coefficient of 0.664. This was supported by the t values whereby $t_{cal=4.788} > t_{critical =1.96 \text{ at a 95 percent confidence level}}$ which depicts that we reject the null hypothesis and accept the alternative. These findings are consistent with those of Shafie, Baghersalimi and Barghi (2013) who investigated the relationship between self-awareness leadership competencies and performance in the Real Estate Registration in Tehran province. The results showed that development-oriented and a pragmatic- oriented self-awareness leadership competency has a positive impact on employee performance. Self-awareness leadership competencies had a higher association with performance. This implies that a unit increase in self-awareness leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.664 units.

Table 4.15: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.801	0.265	3.018	0.003
Self-Awareness Leadership Competency	0.664	0.139	4.788	0.000

Financial Performance = 0.801+0.664 Self Awareness Leadership Competency

4.5.6.2 Relationship between Self-Awareness Leadership Competency and Non-Financial Indicators of Performance

The results presented in table 4.16 present the fitness of model used of the regression model in explaining the study phenomena. Self-awareness leadership competency explained 0.9% of the non-financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 0.9%. This means that self-awareness leadership competency explain 0.9% of the non-financial performance of state corporations in Kenya.

Table 4.16: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.026	0.001	0.009	0.21979

Table 4.17 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was not statistically significant as supported by a p value 0 0.796 which is greater than the critical p value of 0.05. The $F_{cal=0.067<}$ $F_{critical =3.933 \text{ at } \alpha\ 0.05}$ which imply that self-awareness leadership competency is not a good predictor of the non-financial performance of state corporations.

Table 4.17: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig
Regression	0.003	1	0.003	0.067	0.796
Residual	4.879	101	0.048		
Total	4.882	102			

Regression of coefficients results in table 4.18 shows that there is a positive but insignificant relationship between self-awareness leadership competency and non-financial performance of state corporations as shown by a p value of 0.796 which is greater than the critical p value of 0.05. This was supported by the t values whereby $t_{cal=0.259} < t_{critical} = 1.96$ at a 95 percent confidence level which depicts that we accept the null hypothesis. This implies that self-awareness leadership competencies have no effect on the non-financial performance of state corporations in Kenya.

These findings agree with those of Koch and Namusonge (2012) who investigated the effects of self-awareness leadership competencies on organizational performance of state-owned corporations in Kenya by looking at laissez-faire, transactional and self-awareness leadership competencies. From the findings, transformational-leadership competencies factors had a significant correlation with organizational performance; the findings also revealed that transactional-leadership competencies behaviors had a significant correlation with organizational performance. However, self-awareness leadership competencies were not significantly correlated to organizational performance.

Table 4.18: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.979	0.088	22.484	0.000
Self-Awareness Leadership Competency	0.012	0.046	0.259	0.796

4.6 Self-Management Leadership Competency

4.6.1 Frequency of Training on Self-Management Leadership Competency

The respondents were asked to indicate how frequently their organization has sponsored trainings on self-management for the leaders and top management for the last five years. Results are presented in table 4.19. In the year 2010, 46% of the respondents indicated that their organization has never sponsored trainings on self-management for the leaders and top management, 24% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for two times while 20% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for more than two times.

In the year 2011, 35% of the respondents indicated that their organization has never sponsored trainings on self-management for the leaders and top management, 29% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for two times while 20% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for one time. Further, the results revealed that only 16% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for more than two times.

In the year 2012, 35% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for more than two times, 31% of the respondents indicated that their organization has never sponsored trainings on self-management for the leaders and top management while 19% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for one time. Further, the results revealed that only 19%of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for two times.

In the year 2013, 35% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for more than two times and one time respectively, 20% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for two times while only 10% of the respondents indicated that their organization has never sponsored trainings on self-Management for the leaders and top management.

In the year 2014, 40% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for more than two times, 36% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for two times while 19% of the respondents indicated that their organization has sponsored trainings on self-management for the leaders and top management for one time. Further, the results revealed that only 5% of the respondents indicated that their organization has never sponsored trainings on self-management for the leaders and top management.

These findings are consistent with those of Bwoma (2011) who sought to assess the influence of entrepreneurial skills on performance of youth group projects in Kisii Central District. The major findings of the study indicated that youth groups' member need to be encouraged to train in financial management skills, leadership competencies, marketing and business management skills to help them to earn higher profit margins in their groups hence improved performance.

Over the years, results show that the numbers of training are increasing linearly especially in the year 2014. This could be due to sensitization on the importance of training and capacity building among the state corporations. This shows that the state corporations have embraced the importance of building the capacity of their employees with an aim of boosting the performance.

Table 4.19: Frequency of Training on Self-Management Leadership Competency

Year	2010	2011	2012	2013	2014
Never	46	35	31	10	5
Once	0	20	19	35	19
Twice	34	29	15	20	36
More than twice	20	16	35	35	40
Total	**100**	**100**	**100**	**100**	**100**

4.6.2 Self-Management Leadership Competency and Performance of State Corporations

The respondents were also asked to indicate the influence of self-management leadership competency on the performance of their state corporation. Results in table 4.20 show that most of the respondents (60%) indicated that self-management leadership competency increased the performance of their state corporation by a range of 6-10%. Results in table 4.20 also revealed that 19% of the respondents indicated that self-management leadership competency increased the performance of their state corporation by a range of 0-5% while only 5% of the respondents indicated that self-management leadership competency increased the performance of their state corporation by a more than 10%.

These findings are supported by Rahman and Castelli (2013) who investigated the impact of empathy on leadership competencies effectiveness by testing four hypotheses to determine the relationships between empathy, leadership competencies effectiveness, and leaders' backgrounds using a sample of 216 business leaders located in the United States (51.9%) and Malaysia (48.1%). The results indicate that American business leaders have significantly higher empathy than Malaysian business leaders, and that leaders with higher empathy appear to be more effective.

The clear implication is that multinational organizations need to develop leaders with high empathy skills.

These results imply that self-management leadership competency has a positive influence on the performance of state corporations. This puts emphasis on the need to build the capacity of leaders and top managers in their self-management leadership competency so as to ensure improved performance of the state corporations.

Table 4.20: Influence of Self-Management Leadership Competency

Influence	Frequency	Percent
None of the above	5	5
Increased performance by 0-5%	31	30
Increased performance by 6-10%	62	60
Increased performance by more than10%	5	5
Total	**103**	**100**

4.6.3 Right Combination of Self-Management Leadership Competency

The respondents were asked to indicate whether their organization has the right combination of the self-management leadership competencies it should use so as to ensure consistency in its performance. Results in table 4.21 reveal that majority of the respondents (90%) indicated that their state corporations have the right combination of self-management leadership competencies. Only 10% of the respondents indicated that their state corporations do not have the right combination of self-management leadership competencies.

These findings are supported by those of Koman and Wolff (2008) who argued that leaders have to ensure that changes in an organization are accepted and implemented in a way resulting not only in better job performance but also in general understanding and satisfaction of all. Koman and Wolff (2008) also argued that leadership competencies are skills and behaviors that contribute to superior performance of leaders.

By using a competency-based approach to leadership competencies, organizations can better identify and develop their next generation of leaders.

This is an indication that state corporations in Kenya are up to the task with regard to building the capacity of their employees especially those in the top management. This can be supported by the results in table 4.19 above which revealed that the number of training on self-management leadership competencies has been increasing with time.

Table 4.21: Right Combination of Self-Management Leadership Competencies

Response	Frequency	Percent
No	10	10
Yes	93	90
Total	**103**	**100**

4.6.4 Influence of Right Combination of Self-Management Leadership Competency

The respondents who agreed that their state corporation has the right combination of self-management leadership competencies were asked to indicate its influence on the performance of their state corporation. Results in table 4.22 reveal that 33% of the respondents indicated that having the right combination of self-management leadership competencies increased the ability of leaders to manage conflicts, 27% of the respondents indicated that having the right combination of self-management leadership competencies increased the ability of leaders to solve problems, 23% of the respondents indicated that having the right combination of self-management leadership competencies increased the tactical and interpersonal skills of leaders while 17% of the respondents indicated that having the right combination of self-management leadership competencies increased the ability of leaders to think strategically. These finding are supported by Koman and Wolff (2008) who asserts that leadership competencies are skills and behaviors that contribute to superior performance of leaders. By using a competency-based approach to leadership competencies, organizations can better identify and develop their next generation of leaders.

Table 4.22: Influence of Right Combination of Self-Management Leadership Competency

Influence	Frequency	Percent
Increased the ability of leaders to solve problems	25	27
Increased the tactical and interpersonal skills of leaders	21	23
Increased the ability of leaders to manage conflicts	31	33
Increased the ability of leaders to think strategically	16	17
Total	**93**	**100**

Further, the respondents were asked to indicate other ways in which the use of right combination of self-management leadership competencies influenced the performance of your organization. Results revealed that having the right combination of self-management leadership improved interpersonal skills, improved performance and increased profitability. . They also indicated that it has helped to expand the organization/ institutions service to prospective clients thus creating mutually beneficial links.

4.6.5 Influence of Lack of Right Combination of Self-Management Leadership Competency

The respondents who indicated that their state corporation does not have the right combination of self-management leadership competencies were asked to indicate its influence on the performance of their state corporation. Results in table 4.23 below reveal that 50% of the respondents indicated that failure to have the right combination of self-management leadership competencies decreased the ability of leaders to solve problems while 50% of the respondents indicated that failure to have the right combination of self-management leadership competencies decreased the ability of leaders to manage conflicts.

Table 4.23: Influence of Lack of Right Combination of Self-Management Leadership Competency

Influence	Frequency	Percent
Decreased the ability of leaders to solve problems	5	50
Decreased the ability of leaders to manage conflicts	5	50
Total	**10**	**100**

4.6.6 Relationship between Self-Management Leadership Competency and Performance of State Corporations

4.6.6.1 Relationship between Self-Management Leadership Competency and Financial Indicators of Performance

The results presented in table 4.24 present the fitness of model used of the regression model in explaining the study phenomena. Self-management leadership competency explained 23.2% of the financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 23.2%. This means that self-management leadership competency explain 23.2% of the performance of state corporations in Kenya.

Table 4.24: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.489	0.239	0.232	0.64016

Table 4.25 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.000. The $F_{cal=31.742} > F_{critical\ =3.933\ at\ \alpha\ 0.05}$ which imply that self-management leadership competency is a good predictor of the financial performance of state corporations.

Table 4.25: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	13.008	1	13.008	31.742	0.000
Residual	41.391	101	0.41		
Total	54.399	102			

Regression of coefficients results in table 4.26 shows that there is a positive and significant relationship between self-management leadership competency and financial performance of state corporations as supported by a p value of 0.000 and a beta coefficient of 0.547. This was supported by the t values whereby $t_{cal=6.552} > t_{critical=1.96}$ at a 95 percent confidence level which depicts that we reject the null hypothesis and accept the alternative. These findings are agree with those of Rahman and Castelli (2013) who investigated the impact of empathy on leadership competencies effectiveness by testing four hypotheses to determine the relationships between empathy, leadership competencies effectiveness, and leaders' backgrounds using a sample of 216 business leaders located in the United States (51.9%) and Malaysia (48.1%). The results indicate that American business leaders have significantly higher empathy than Malaysian business leaders, and that leaders with higher empathy appear to be more effective. The clear implication is that multinational organizations need to develop leaders with high empathy skills. This implies that increase in self-management leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.547 units.

Table 4.26: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.129	0.172	6.552	0.000
Self-Management Leadership Competency	0.547	0.097	5.634	0.000

Financial Performance = 1.129+0.547 Self-Management Leadership Competency

4.6.6.2 Relationship between Self-Management Leadership Competency and Non-Financial Indicators of Performance

The results presented in table 4.27 present the fitness of model used of the regression model in explaining the study phenomena. Self-management leadership competency explained 0.9% of the non-financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 0.9%. This means that self-management leadership competency explain 0.9% of the non-financial performance of state corporations in Kenya.

Table 4.27: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.138	0.019	0.009	0.21777

Table 4.28 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was not statistically significant as supported by a p value of 0.166 which is greater than the critical p value of 0.05. The $F_{cal=1.947} < F_{critical=3.933 \text{ at } \alpha\ 0.05}$ which imply that self-management leadership competency is not a good predictor of the non-financial performance of state corporations.

Table 4.28: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig
Regression	0.092	1	0.092	1.947	0.166
Residual	4.79	101	0.047		
Total	4.882	102			

Regression of coefficients results in table 4.29 shows that there is a positive but insignificant relationship between self-management leadership competency and non-financial performance of state corporations as shown by a p value of 0.166 which is greater than the critical p value of 0.05. This was supported by the t values whereby

$t_{cal=1.395} < t_{critical} = 1.96$ at a 95 percent confidence level which depicts that accept the null hypothesis. This implies that self-management leadership competencies have no effect on the non-financial performance of state corporations in Kenya.

Table 4.29: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.925	0.059	32.846	0.000
Self-Management Leadership Competency	0.046	0.033	1.395	0.166

Non-financial Performance = 1.925+0.046 Self-Management Leadership Competency

4.7 Social-awareness Leadership Competency

4.7.1 Frequency of Training on Social-Awareness Leadership Competency

The respondents were asked to indicate how frequently their organization has sponsored trainings on social-awareness for the leaders and top management for the last five years. Results are presented in table 4.30. In the year 2010, 30% of the respondents indicated that their organization has never sponsored trainings on social-awareness for the leaders and top management, 25% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for one time and for more than two times respectively. Further, the results revealed that 19% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for two times.

In the year 2011, 30% of the respondents indicated that their organization has never sponsored trainings on social-awareness for the leaders and top management, 25%of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for more than two times while 24% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for two times. Further, the results revealed that only 20% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for one time.

In the year 2012, 45% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for more than two times, 30% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for one time while 20% of the respondents indicated that their organization has never sponsored trainings on social-awareness for the leaders and top management. Further, the results revealed that only 5% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for two times.

In the year 2013, 45% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for more than two times, 31% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for two times while 15% of the respondents indicated that their organization has never sponsored trainings on social-awareness for the leaders and top management. Further, the results revealed that only 10% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for one time.

In the year 2014, 60% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for more than two times, 15% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for two times while 15%of the respondents indicated that their organization has never sponsored trainings on social-awareness for the leaders and top management. Further, the results revealed that only 11% of the respondents indicated that their organization has sponsored trainings on social-awareness for the leaders and top management for one time.

Over the years, results show that the numbers of training are increasing linearly. This could be due to sensitization on the importance of training and capacity building among the state corporations. This shows that the state corporations have embraced the importance of building the capacity of their employees with an aim of boosting the performance. These findings can be supported by those of Wang, Tsui and Xin (2011) who reiterated that a social awareness leadership competency has two elements. They further elaborated the importance of social awareness leadership competency. First, they stated that ethical leaders must act and make decisions ethically and ethical leaders must also lead ethically – in the ways they treat people in everyday interaction, in their attitudes, in the ways they encourage, and in the directions in which they steer their organizations or institutions or initiatives

Table 4.30: Frequency of Training on Social-Awareness Leadership Competency

Year	**2010**	**2011**	**2012**	**2013**	**2014**
Never	30	30	20	15	15
Once	25	20	30	10	11
Twice	19	24	5	31	15
More than twice	25	25	45	45	60
Total	**100**	**100**	**100**	**100**	**100**

4.7.2 Social-Awareness Leadership Competency and Performance of State Corporations

The respondents were also asked to indicate the influence of social-awareness leadership competency on the performance of their state corporation. Results in table 4.31 show that 50% of the respondents indicated that social-awareness leadership competency increased the performance of their state corporation by a range of 6-10%. Results in table 4.31 also revealed that 34%of the respondents indicated that social-awareness leadership competency increased the performance of their state corporation by a range of 0-5% while only 11% of the respondents indicated that social-awareness leadership competency increased the performance of their state corporation by a more than 10%. Further, 5% of the respondents indicated that social-awareness leadership competency did not affect the performance of their state corporation.

These findings agree with those of Walumbwa *et al.* (2011) who investigated the link between social awareness leadership competencies and performance using data from the People's Republic of China. Results from 72 supervisors and 201 immediate direct reports revealed that social awareness leadership competencies was positively and significantly related to employee performance as rated by their immediate supervisors and that this relationship was fully mediated by LMX, self-efficacy, and organizational identification, controlling for procedural fairness.

These results imply that social-awareness leadership competency has a positive influence on the performance of state corporations. This puts emphasis on the need to build the capacity of leaders and top managers in their social-awareness leadership competency so as to ensure improved performance of the state corporations.

Table 4.31: Influence of Social-Awareness Leadership Competency

Influence	**Frequency**	**Percent**
None of the above	5	5
Increased performance by 0-5%	35	34
Increased performance by 6-10%	52	50
Increased performance by more than10%	11	11
Total	**103**	**100**

4.7.3 Right Combination of Social-Awareness Leadership Competency

The respondents were asked to indicate whether their organization has the right combination of the social awareness leadership competencies it should use so as to ensure consistency in its performance. Results in table 4.32 reveal that majority of the respondents (85%) indicated that their state corporations have the right combination of social awareness leadership competencies. Only 15% of the respondents indicated that their state corporations do not have the right combination of social awareness leadership competencies.

These findings are supported by Podolny, Khurana and Hill-Popper (2010) on the need for social awareness leadership competencies and stated that this type of competency demand ethical behavior all the time, not just when someone's looking; and they're ethical over time, proving again and again that ethics are an integral part of the intellectual and philosophical framework they use to understand and relate to the world.

This is an indication that state corporations in Kenya are up to the task with regard to building the capacity of their employees especially those in the top management. This can be supported by the results in table 4.30 above which revealed that the number of training on social awareness leadership competencies has been increasing with time.

Table 4.32: Right Combination of Social-Awareness Leadership Competencies

Response	Frequency	Percent
No	15	15
Yes	88	85
Total	**103**	**100**

4.7.4 Influence of Right Combination of Social-Awareness Leadership Competency

The respondents who agreed that their state corporation has the right combination of social awareness leadership competencies were asked to indicate its influence on the performance of their state corporation. Results in table 4.33 reveal that 48% of the respondents indicated that having the right combination of social awareness leadership competencies increased cross cultural communication in the corporation, 30% of the respondents indicated that having the right combination of social awareness leadership competencies increased the virtue of integrity in the corporation while 23% of the respondents indicated that having the right combination of social awareness leadership competencies increased the aspect of divertible change manager in the corporation.

These findings are coherent with those of Bello (2012) who examined the concept of social awareness leadership competencies, the characteristics of an ethical leader, social awareness leadership competencies and its impact on employee job performance and how organizations can develop leaders that are not only sound in character but sound in action. The study concluded that leaders must create an ethically friendly work environment for all employees, communicate ethical issues, serve as role models and put mechanism in place for the development of responsible employees.

4.33: Influence of Right Combination of Social-Awareness Leadership Competency

Influence	**Frequency**	**Percent**
Increased cross cultural communication in the corporation	42	48
Increased the virtue of integrity in the corporation	26	30
Increased the aspect of divertible change manager in the corporation	20	23
Total	**88**	**100**

Further, the respondents were asked to indicate other ways in which the use of right combination of social awareness leadership competencies influenced the performance of your organization. Results revealed that having the right combination of social awareness leadership competencies encouraged exchange of cultures and improved performance. They also indicated that it has increased uptake of cross cultural registrations in the institution as well as bringing the corporations services closer to the clients across cultural divides.

4.7.5 Influence of Lack of Right Combination of Social-Awareness Leadership Competency

The respondents who indicated that their state corporation does not have the right combination of social awareness leadership competencies were asked to indicate its influence on the performance of their state corporation. Results in table 4.34 reveal that most of the respondents (67%) indicated that failure to have the right combination of social awareness leadership competencies decreased cross cultural communication in the corporation while 33%of the respondents indicated that failure to have the right combination of social awareness leadership competencies decreased the virtue of integrity in the corporation.

4.34: Influence of Lack of Right Combination of Social-Awareness Leadership Competency

Influence	**Frequency**	**Percent**
Decreased cross cultural communication in the corporation	10	67
Decreased the virtue of integrity in the corporation	5	33
Total	**103**	**85.8**

4.7.6 Relationship between Social-Awareness Leadership Competency and Performance of State Corporations

4.7.6.1 Relationship between Social-Awareness Leadership Competency and Financial Indicators of Performance

The results presented in table 4.35 present the fitness of model used of the regression model in explaining the study phenomena. Social-awareness leadership competency explained 0.6% of the financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the adjusted R square of 0.6%. This means that social-awareness leadership competency explain 0.6% of the performance of state corporations in Kenya.

Table 4.35: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.059	0.004	0.006	0.73261

Table 4.36 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was not statistically significant as supported by a p value of 0.552 which is greater than the critical p value of 0.05. The $F_{cal=0.356} < F_{critical=3.933 \text{ at } \alpha\ 0.05}$ implying that social-awareness leadership competency is not a good predictor of the financial performance of state corporations.

Table 4.36: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig
Regression	0.191	1	0.191	0.356	0.552
Residual	54.208	101	0.537		
Total	54.399	102			

Regression of coefficients results in table 4.37 shows that there is a positive but insignificant relationship between social-awareness leadership competency and financial performance of state corporations as show by a p value of 0.552 which is higher than the critical p value of 0.05. This was supported by the t values whereby $t_{cal=0.596} < t_{critical=1.96 \text{ at a 95 percent confidence level}}$ which depicts that accept the null hypothesis. This implies that social-awareness leadership competency on its own does not influence the financial performance of state corporations. These findings agree with those of Walumbwa, Mayer, Wang, Wang, Workman and Christensen (2011) who investigated the link between Social awareness leadership competencies and performance using data from the People's Republic of China. Results from 72 supervisors and 201 immediate direct reports revealed that social awareness leadership competencies was positively and significantly related to employee performance as rated by their immediate supervisors and that this relationship was fully mediated by LMX, self-efficacy, and organizational identification, controlling for procedural fairness.

Table 4.37: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.934	0.18	10.721	0.000
Social Awareness Leadership Competency	0.059	0.099	0.596	0.552

4.7.6.2 Relationship between Social-Awareness Leadership Competency and Non-Financial Indicators of Performance

The results presented in table 4.38 present the fitness of model used of the regression model in explaining the study phenomena. Social-awareness leadership competency explained 1.6% of the non-financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 1.6%. This means that social-awareness leadership competency explain 1.6% of the non-financial performance of state corporations in Kenya.

Table 4.38: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.159	0.025	0.016	0.21707

Table 4.39 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was not statistically significant as supported by a p value 0.109 which is greater than the critical p value of 0.05. The $F_{cal=2.618} < F_{critical =3.933 \text{ at } \alpha\ 0.05}$ which imply that social-awareness leadership competency is not a good predictor of the non-financial performance of state corporations.

Table 4.39: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig
Regression	0.123	1	0.123	2.618	0.109
Residual	4.759	101	0.047		
Total	4.882	102			

Regression of coefficients results in table 4.40 shows that there is a positive but insignificant relationship between social-awareness leadership competency and non-financial performance of state corporations as shown by a p value of 0.109 which is greater than the critical p value of 0.05. This was supported by the t values whereby $t_{cal=1.618} < t_{critical =1.96 \text{ at a 95 percent confidence level}}$ which depicts that accept the null hypothesis. This implies that social-awareness leadership competencies have no effect on the non-financial performance of state corporations in Kenya.

Table 4.40: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.922	0.053	35.968	0.000
Social Awareness Leadership Competency	0.047	0.029	1.618	0.109

4.8 Social-Skills Leadership Competency

4.8.1 Frequency of Training on Social-Skills Leadership Competency

The respondents were asked to indicate how frequently their organization has sponsored trainings on social-skills for the leaders and top management for the last five years. Results are presented in table 4.41. In the year 2010, 35% of the respondents indicated that their organization has never sponsored trainings on social-skills for the leaders and top management, 30% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for one time while 19% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for two times. Further, the results revealed that 16% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for more than two times.

In the year 2011, 35% of the respondents indicated that their organization has never sponsored trainings on social-skills for the leaders and top management, 25% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for one time while 20% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for more than two times. Further, the results revealed that only 19% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for two times.

In the year 2012, 30% of the respondents indicated that their organization has never sponsored trainings on social-skills for the leaders and top management, 25% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for one time and more than two times respectively while 19%of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for two times.

In the year 2013, 35% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for more than one time, 30% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for two times while 25% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for more than two times. Further, the results revealed that only 10% of the respondents indicated that their organization has never sponsored trainings on social-skills for the leaders and top management.

In the year 2014, 34% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for two times, 31% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for more than two times while 20% of the respondents indicated that their organization has never sponsored trainings on social-skills for the leaders and top management. Further, the results revealed that only 15% of the respondents indicated that their organization has sponsored trainings on social-skills for the leaders and top management for one time.

Over the years, results show that the numbers of training are increasing linearly. This could be due to sensitization on the importance of training and capacity building among the state corporations. This shows that the state corporations have embraced the importance of building the capacity of their employees with an aim of boosting the performance. These findings can be supported by many authors who have emphasized on the importance of social skills leadership competencies. For instance, Goleman (2008, 2010) stated the social skills leadership competencies enhances the effectiveness in leading change and being a change catalyst, ability to take charge and inspire with a compelling vision, visionary leadership, developing others, conflict management, expertise in building and leading teams, teamwork and collaboration, communication and listening skills, persuasiveness and ability to influence, building bonds and finding a common ground with all kinds of people.

Table 4.41: Frequency of Training on Social-Skills Leadership Competency

Year	2010	2011	2012	2013	2014
Never	35	35	30	10	20
Once	30	25	25	35	15
Twice	19	19	19	30	34
More than twice	16	20	25	25	31
Total	**100**	**100**	**100**	**100**	**100**

4.8.2 Social-Skills Leadership Competency and Performance of State Corporations

The respondents were also asked to indicate the influence of social-skills leadership competency on the performance of their state corporation. Results in table 4.42 show that 50% of the respondents indicated that social-skills leadership competency increased the performance of their state corporation by a range of 6-10%. Results in table 4.42 also revealed that 35%of the respondents indicated that social-skills leadership competency increased the performance of their state corporation by a range of 0-5% while only 10% of the respondents indicated that social-skills leadership competency increased the performance of their state corporation by a more than 10%. Further, 5% of the respondents indicated that social-skills leadership competency did not affect the performance of their state corporation.

These findings agree with those of Spreitzer *et al.*, (2007) who asserted that interpersonal skills help leaders in bringing out the best in people, increasing their capability for cooperation and team building, ability to attract and develop talent, capacity to motivate and align people to one vision, and oral and written communication. These results imply that social-skills leadership competency has a positive influence on the performance of state corporations. This puts emphasis on the need to build the capacity of leaders and top managers in their social-skills leadership competency so as to ensure improved performance of the state corporations.

Table 4.42: Influence of Social-Skills Leadership Competency

Influence	Frequency	Percent
No influence	5	5
Increased performance by 0-5%	36	35
Increased performance by 6-10%	52	50
Increased performance by more than10%	10	10
Total	**103**	**100**

4.8.3 Right Combination of Social-Skills Leadership Competency

The respondents were asked to indicate whether their organization has the right combination of the social skills leadership competencies it should use so as to ensure consistency in its performance. Results in table 4.43 reveal that majority of the respondents (95%) indicated that their state corporations have the right combination of social skills leadership competencies. Only 5% of the respondents indicated that their state corporations do not have the right combination of social skills leadership competencies.

This is an indication that state corporations in Kenya are up to the task with regard to building the capacity of their employees especially those in the top management. This can be supported by the results in table 4.41 which revealed that the number of training on social skills leadership competencies has been increasing with time.

Table 4.43: Right Combination of Social-Skills Leadership Competencies

Response	Frequency	Percent
No	5	5
Yes	98	95
Total	**103**	**100**

4.8.4 Influence of Right Combination of Social-Skills Leadership Competency

The respondents who agreed that their state corporation has the right combination of social skills leadership competencies were asked to indicate its influence on the performance of their state corporation. Results in table 4.44 reveal that 42% of the respondents indicated that having the right combination of social skills leadership competencies increased the ability of leaders to foster collaboration, 37% of the respondents indicated that having the right combination of social skills leadership competencies increased the magnitude of social judgmental skills amongst the leaders while 21% of the respondents indicated that having the right combination of social skills leadership competencies increased the ability of leaders to inspire others. This can be supported by Jordan and Cartwright (2008) who described social skills to include moderate extroversion, listening skills, ability to interact with other people, managing first impressions, and multicultural communicative competence.

Table 4.44: Influence of Right Combination of Social-Skills Leadership Competency

Influence	**Frequency**	**Percent**
Increased the magnitude of social judgmental skills amongst the leaders	36	37
Increased the ability of leaders to inspire others	21	21
Increased the ability of leaders to foster collaboration	41	42
Total	**98**	**100**

Further, the respondents were asked to indicate other ways in which the use of right combination of social-skills leadership competencies influenced the performance of your organization. Results revealed that having the right combination of social skills leadership competencies increased the employee motivation as well as the performance of the state corporations.

4.8.5 Influence of Lack of Right Combination of Social-Skills Leadership Competency

The respondents who indicated that their state corporation does not have the right combination of social skills leadership competencies were asked to indicate its influence on the performance of their state corporation. Results in table 4.45 reveal that all the respondents (100%) indicated that failure to have the right combination of social skills leadership competencies decreased the ability of leaders to foster collaboration.

Table 4.45: Influence of Lack of Right Combination of Social-Skills Leadership Competency

Influence	Frequency	Percent
Decreased the ability of leaders to foster collaboration	5	100
Total	**103**	**100**

4.8.6 Relationship between Social-Skills Leadership Competency and Performance of State Corporations

4.8.6.1 Relationship between Social-Skills Leadership Competency and Financial Indicators of Performance

The results presented in table 4.46 present the fitness of model used of the regression model in explaining the study phenomena. Social-skills leadership competency explained 6.2% of the financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 6.2%. This means that social-skills leadership competency explain 6.2% of the financial performance of state corporations in Kenya.

Table 4.46: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.268	0.072	0.062	0.70711

Table 4.47 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.006 which was less than the critical p value of 0.05. The $F_{cal=7.798} > F_{critical = 3.933\ at\ \alpha\ 0.05}$ which imply that social skills leadership competency is a good predictor of the financial performance of state corporations.

Table 4.47: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig
Regression	3.899	1	3.899	7.798	0.006
Residual	50.5	101	0.5		
Total	54.399	102			

Regression of coefficients results in table 4.48 shows that is a positive and significant relationship between social skills leadership competency and financial performance of state corporations as supported by a p value of 0.006 and a beta coefficient of 0.27. This was supported by the t values whereby $t_{cal=2.792} > t_{critical = 1.96\ at\ a\ 95\ percent\ confidence\ level}$ which depicts that we reject the null hypothesis and accept the alternative.

These findings agree with those of Spreitzer *et al.*, (2007) who asserted that interpersonal skills help leaders in bringing out the best in people, increasing their capability for cooperation and team building, ability to attract and develop talent, capacity to motivate and align people to one vision, and oral and written communication. This implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.27 units.

Table 4.48: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.586	0.174	9.106	0.000
Social Skills Leadership Competency	0.27	0.097	2.792	0.006

Financial Performance = 1.586+0.270 Social Skills Leadership Competency

4.8.6.2 Relationship between Social-Skills Leadership Competency and Non-Financial Indicators of Performance

The results presented in table 4.49 present the fitness of model used of the regression model in explaining the study phenomena. Social-skills leadership competency explained 10.7% of the non-financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 10.7%. This means that social-skills leadership competency explain 10.7% of the non-financial performance of state corporations in Kenya.

Table 4.49: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.341	0.116	0.107	0.20671

Table 4.50 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.006 which is lesser than the critical p value of 0.05. The $F_{cal=13.265} > F_{critical=3.933 \text{ at } \alpha\, 0.05}$ which imply that social skills leadership competency is a good predictor of the non-financial performance of state corporations.

Table 4.50: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig
Regression	0.567	1	0.567	13.265	0.000
Residual	4.315	101	0.043		
Total	4.882	102			

Regression of coefficients results in table 4.51 shows that is a positive and significant relationship between social skills leadership competency and non-financial performance of state corporations as supported by a p value of 0.000 and a beta coefficient of 0.103. This was supported by the t values whereby $t_{cal=3.642} > t_{critical=1.96 \text{ at a 95 percent confidence level}}$ which depicts that we reject the null hypothesis and accept the alternative.

These findings are supported by those of Moran and Riesenberger (2006) who maintain that socially skillful mangers are able to motivate employees to excellence, negotiate conflicts, and lead and participate effectively in multicultural teams. This culminates to improved organization performance. This implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the non-financial performance of state corporations by 0.103 units.

Table 4.51: Regression of Coefficients

Variable	B	Std. Error	T	Sig.
(Constant)	1.831	0.051	35.961	0.000
Social Skills Leadership Competency	0.103	0.028	3.642	0.000

Non-financial Performance = 1.831+0.103 Social Skills Leadership Competency

4.9 Organization Size

4.9.1 Influence of Organization Size

The respondents were asked to indicate how the size of their corporation influenced the relationship between leadership competencies and the performance of State Corporation. Results in table 4.52 shows that most of the respondents (66%) indicated that the size of their state corporation increased performance by 6-10%. Results in table 4.51 also revealed that 29% of the respondents indicated that the size of their state corporation increased performance by 0-5% while 5% of the respondents indicated that the size of their state corporation increased performance by more than 10%. These findings agree with Hendricks and Singhal (2007) who asserted that the firm size has been recognized as one of the single most dominant variables in firm studies and has been shown to be related to overall industry profitability.

Table 4.52: Influence of Organization Size

Influence	Frequency	Percent
Increased performance by 0-5%	30	29
Increased performance by 6-10%	68	66
Increased performance by more than10%	5	5
Total	**103**	**100**

4.9.2 Range of the Number of Employees

The respondents were also asked to indicate the range of the number of employees in their state corporation for the last five years. Results are presented in table 4.53. In the year 2010, 54% of the respondents indicated that the number of employees in their state corporation was between 201-500, 36% of the respondents indicated that the number of employees in their state corporation was below 200 while 5% of the respondents indicated that the number of employees in their state corporation was between 501-1000 and above 1000 respectively.

In the year 2011, 50% of the respondents indicated that the number of employees in their state corporation was between 201-500, 36% of the respondents indicated that the number of employees in their state corporation was below 200 while 10% of the respondents indicated that the number of employees in their state corporation was between 501-1000. Further, 5% of the respondents indicated that the number of employees in their state corporation was above 1000.

In the year 2012, 60% of the respondents indicated that the number of employees in their state corporation was between 201-500, 25% of the respondents indicated that the number of employees in their state corporation was below 200 while 10% of the respondents indicated that the number of employees in their state corporation was between 501-1000. Further, 5% of the respondents indicated that the number of employees in their state corporation was above 1000.

In the year 2013, 46% of the respondents indicated that the number of employees in their state corporation was between 201-500, 25% of the respondents indicated that the number of employees in their state corporation was below 200 while 24% of the respondents indicated that the number of employees in their state corporation was between 501-1000. Further, 5% of the respondents indicated that the number of employees in their state corporation was above 1000.

In the year 2014, 36% of the respondents indicated that the number of employees in their state corporation was between 501-1000, 34% of the respondents indicated that the number of employees in their state corporation was between 201-500 while 25% of the respondents indicated that the number of employees in their state corporation was below 200. Further, 5% of the respondents indicated that the number of employees in their state corporation was above 1000.

Table 4.53: Range of the Number of Employees

Year	2010	2011	2012	2013	2014
Below 200	36	36	25	25	25
Between 201 - 500	54	50	60	46	34
Between 501 - 1000	5	10	10	24	36
Above 1000	5	5	5	5	5
Total	**100**	**100**	**100**	**100**	**100**

4.9.3 Effect of the Number of Employees on Profitability

The respondents were asked to indicate the how the number of employees in their organization affected profitability. Results in table 4.54 revealed that most of the respondents (60%) indicated that the number of employees increased performance by 6-10%. Results in table 4.53 also revealed that 24% of the respondents indicated that the number of employees increased performance by 0-5% while 16% of the respondents indicated that the number of employees increased performance by more than 10%. This is supported by Au and Tse's (2007) study in the hotel industry in Hong Kong and New Zealand who suggested that the firm size, price, market turbulence, technological turbulence, degree of competition, and the economy interrelate in a multifaceted way and impact on the market orientation and firm performance relationship.

Table 4.54: Effect of the Number of Employees on Profitability

Influence	Frequency	Percent
Increased performance by 0-5%	25	24
Increased performance by 6-10%	62	60
Increased performance by more than10%	16	16
Total	**103**	**100**

4.9.4 Range of the Value of Total Assets

The respondents were also asked to indicate the range of the value of total assets in their corporation for the last five years. Results are presented in table 4.55. In the year 2010, 60% of the respondents indicated that the value of total assets in their state corporation was below Kshs 10 billion while 40% of the respondents indicated that the value of total assets in their state corporation was between Kshs 11 – 50 billions. In the year 2011, 55% of the respondents indicated that the value of total assets in their state corporation was below Kshs 10 billion while 45% of the respondents indicated that the value of total assets in their state corporation was between Kshs 11 – 50 billion.

In the year 2012, 61% of the respondents indicated that the value of total assets in their state corporation was between Kshs 11 – 50 billions, 39% of the respondents indicated that the value of total assets in their state corporation was below Kshs 10 billionswhile10% of the respondents indicated that the value of total assets in their state corporation was between Kshs 51-100 billions. In the year 2013, 61% of the respondents indicated that the value of total assets in their state corporation was between Kshs 11 – 50 billions, 39% of the respondents indicated that the value of total assets in their state corporation was below Kshs 10 billion. In the year 2014, 60% of the respondents indicated that the value of total assets in their state corporation was below Kshs 10 billion while 40% of the respondents indicated that the value of total assets in their state corporation was between Kshs 11 – 50 billions.

Table 4.55: Range of the Value of Total Assets

Year	2010	2011	2012	2013	2014
Below Kshs 10 billions	60	55	39	39	24
Between Kshs 11 – 50 billions	40	45	61	51	66
Between Kshs 51 – 100 billions	0	0	0	10	10
Total	**100**	**100**	**100**	**100**	**100**

4.9.5 Effect of the Value of Total Assets on Profitability

The respondents were asked to indicate the how the value of total assets in their organization affected profitability. Results in table 4.56 revealed that 50% of the respondents indicated that the value of total assets increased performance by 6-10%. Results in table 4.55 also revealed that 29% of the respondents indicated that the value of total assets increased performance by 0-5% while 21% of the respondents indicated that the value of total assets increased performance by more than 10%. These findings are supported by those of Gikunda (2013) who sought to establish determinants of organization performance in Kenya banking sector with special focus on tier three Commercial Banks. On bank size, the study concluded that most of the banks had 16-30 branches where number of branches that bank have determines its profitability. Inclusively, the study established that bank size determines bank profitability to very great extent.

Table 4.56: Effect of the Value of Total Assets on Profitability

Influence	Frequency	Percent
Increased performance by 0-5%	30	29
Increased performance by 6-10%	51	50
Increased performance by more than10%	22	21
Total	**103**	**100**

4.9.6 Range of the Value of Turnover

The respondents were also asked to indicate the range of the value of turnover in their corporation for the last five years. Results are presented in table 4.57. In the year 2010, 70% of the respondents indicated that the value of turnover in their state corporation was below Kshs250 millions while 30% of the respondents indicated that the value of turnover in their state corporation was between Kshs251 – 500 millions. In the year 2011, 65% of the respondents indicated that the value of turnover in their state corporation was below Kshs250 millions, 30% of the respondents indicated that the value of turnover in their state corporation was between Kshs251 – 500 millions while 5% of the respondents indicated that the value of turnover in their state corporation was between Kshs501 – 1000 millions.

In the year 2012, 50% of the respondents indicated that the value of turnover in their state corporation was below Kshs250 millions, 39% of the respondents indicated that the value of turnover in their state corporation was between Kshs251 – 500 million while 11% of the respondents indicated that the value of turnover in their state corporation was between Kshs501 – 1000 millions. In the year 2013, 50% of the respondents indicated that the value of turnover in their state corporation was below Kshs250 millions, 39% of the respondents indicated that the value of turnover in their state corporation was between Kshs251 – 500 million while 11% of the respondents indicated that the value of turnover in their state corporation was between Kshs501 – 1000 millions. In the year 2014, 55% of the respondents indicated that the value of turnover in their state corporation was below Kshs250 millions, 34% of the respondents indicated that the value of turnover in their state corporation was between Kshs251 – 500 million while 11% of the respondents indicated that the value of turnover in their state corporation was between Kshs501 – 1000 millions.

Table 4.57: Range of the Value of Turnover

Year	2010	2011	2012	2013	2014
Below Kshs 250 millions	70	65	50	50	55
Between Kshs 250 – 500 millions	30	30	39	39	34
Between Kshs 501 – 1000 millions	0	5	11	11	11
Total	**100**	**100**	**100**	**100**	**100**

4.9.7 Effect of the Value of Turnover on Profitability

The respondents were asked to indicate the how the value of turnover in their organization affected profitability. Results in table 4.58 revealed that 50% of the respondents indicated that the value of turnover increased performance by 6-10%. Results in table 4.57 also revealed that 30% of the respondents indicated that the value of turnover increased performance by 0-5% while 20% of the respondents indicated that the value of turnover increased performance by more than 10%. These findings agree with those of Hendricks and Singhal (2010) who claims that firm size is an important predictor for financial performance.

Table 4.58: Effect of the Value of Turnover on Profitability

Influence	**Frequency**	**Percent**
Increased performance by 0-5%	30	30
Increased performance by 6-10%	52	50
Increased performance by more than10%	21	20
Total	**103**	**100**

4.10 Financial Performance of State Corporations

4.10.1 Range of Return on Assets

The respondents were asked to indicate the range of the return on assets (ROA) of their state corporation for the past five years. Results are presented in table 4.59. In the year 2010, 35% of the respondents indicated that the return on assets in their state corporation was between 2.1% - 5%, 29% of the respondents indicated that the return on assets in their state corporation was between 5.1% - 7%, 26% of the respondents indicated that the return on assets in their state corporation was less than 2% while only 10% of the respondents indicated that the value of turnover in their state corporation was more than 7%.

In the year 2011, 54% of the respondents indicated that the return on assets in their state corporation was between 2.1% - 5%, 21% of the respondents indicated that the return on assets in their state corporation was less than 2%, 15% of the respondents indicated that the return on assets in their state corporation was between 5.1% - 7% while only 10% of the respondents indicated that the value of turnover in their state corporation was more than 7%.In the year 2012, 75% of the respondents indicated that the return on assets in their state corporation was between 2.1% - 5%, 15% of the respondents indicated that the return on assets in their state corporation was between 5.1% - 7% while only 11% of the respondents indicated that the return on assets in their state corporation was less than 2%.

In the year 2013, 42% of the respondents indicated that the return on assets in their state corporation was less than 2%, 34% of the respondents indicated that the return on assets in their state corporation was between 5.1% - 7%, 19% of the respondents indicated that the return on assets in their state corporation was between 2.1% - 5% while only 5% of the respondents indicated that the value of turnover in their state corporation was more than 7%.In the year 2014, 81% of the respondents indicated that the return on assets in their state corporation was less than 2% 15% of the respondents indicated that the return on assets in their state corporation was between 2.1% - 5%, while only 5% of the respondents indicated that the return on assets in their state corporation was more than 7%.

Table 4.59: Range of the Return on Assets

Year	2010	2011	2012	2013	2014
Less than 2%	26	21	11	42	81
Between 2.1% - 5%	35	54	75	19	15
Between 5.1% - 7%	29	15	15	34	0
More than 7%	10	10	0	5	5
Total	100	100	100	100	100

4.10.2 Range of Debt/Equity Ratio

The respondents were asked to indicate the range of the debt/equity ratio of their state corporation for the past five years. Results are presented in table 4.60. In the year 2010, 50% of the respondents indicated that the debt/equity ratio in their state corporation was between 26% - 50%, 29% of the respondents indicated that the debt/equity ratio in their state corporation was between 51% - 75% while 21% of the respondents indicated that the debt/equity ratio in their state corporation was less than 25%.

In the year 2011, 44% of the respondents indicated that the debt/equity ratio in their state corporation was between 26% - 50%, 32% of the respondents indicated that the debt/equity ratio in their state corporation was less than 25%, 15% of the respondents indicated that the debt/equity ratio in their state corporation was more than 75% while only 10% of the respondents indicated that the debt/equity ratio in their state corporation was between 51% - 75%.In the year 2012, 61% of the respondents indicated that the debt/equity ratio in their state corporation was less than 25%, 19% of the respondents indicated that the debt/equity ratio in their state corporation was more than 75%, 15%of the respondents indicated that the debt/equity ratio in their state corporation was between 26% - 50% while only 5% of the respondents indicated that the debt/equity ratio in their state corporation was between 51% - 75%.

In the year 2013, 44% of the respondents indicated that the debt/equity ratio in their state corporation was between 51% - 75%, 32% of the respondents indicated that the debt/equity ratio in their state corporation was less than 25%, 19% of the respondents indicated that the debt/equity ratio in their state corporation was between 26% - 50% while only 5% of the respondents indicated that the debt/equity ratio in their state corporation was more than 75%.In the year 2014, 47% of the respondents indicated that the debt/equity ratio in their state corporation was less than 25%, 44% of the respondents indicated that the debt/equity ratio in their state corporation was between 26% - 50% while only 10% of the respondents indicated that the debt/equity ratio in their state corporation was between 51% - 75%.

Table 4.60: Range of the Debt/Equity Ratio

Year	**2010**	**2011**	**2012**	**2013**	**2014**
Less than 25%	21	32	61	32	47
Between 26% - 50%	50	44	15	19	44
Between 51% - 75%	29	10	5	44	10
More than 75%	0	15	19	5	0
Total	**100**	**100**	**100**	**100**	**100**

4.10.3 Range of Return on Investment

The respondents were asked to indicate the range of return on investment (ROI) of their state corporation for the past five years. Results are presented in table 4.61. In the year 2010, 42% of the respondents indicated that the return on investment in their state corporation was less than 5%, 34% of the respondents indicated that the return on investment in their state corporation was between 11% - 15% while 24% of the respondents indicated that the return on investment in their state corporation was between 6% - 10%.

In the year 2011, 40% of the respondents indicated that the return on investment in their state corporation was between 6% - 10%, 29% of the respondents indicated that the return on investment in their state corporation was between 11-15%, 26% of the respondents indicated that the return on investment in their state corporation was less than 5% while only 5% of the respondents indicated that the return on investment in their state corporation was more than 15%.In the year 2012, 49% of the respondents indicated that the return on investment in their state corporation was between 11% - 15%, 25% of the respondents indicated that the return on investment in their state corporation was between 6-10%, 21% of the respondents indicated that the return on investment in their state corporation was less than 5% while only 5% of the respondents indicated that the return on investment in their state corporation was more than 15%.

In the year 2013, 51% of the respondents indicated that the return on investment in their state corporation was between 6% - 10%, 39% of the respondents indicated that the return on investment in their state corporation was between 11-15% while only 10% of the respondents indicated that the return on investment in their state corporation was more than 15%. In the year 2014, 49% of the respondents indicated that the return on investment in their state corporation was between 6% - 10%, 32% of the respondents indicated that the return on investment in their state corporation was less than 5% while 10% of the respondents indicated that the return on investment in their state corporation was between 6-10% and more than 15% respectively.

Table 4.61: Range of the Return on Investment

Year	2010	2011	2012	2013	2014
Less than 5%	42	26	21	0	32
Between 6% - 10%	24	40	25	51	49
Between 11% - 15%	34	29	49	39	10
More than 15%	0	5	5	10	10
Total	100	100	100	100	100

4.11 Non-Financial Performance of State Corporations

4.11.1 Performance Contracting Ranking

The respondents were asked to indicate the performance contracting ranking of their state corporation for the past five years. Results are presented in table 4.62. In the year 2010, 35% of the respondents indicated that the performance contracting ranking of their state corporation was between number 16 – 25, 34% of the respondents indicated that the performance contracting ranking of their state corporation was between number 8–15, 17% of the respondents indicated that the performance contracting ranking of their state corporation was above number 25 while only 15% of the respondents indicated that the performance contracting ranking of their state corporation was between number 1 – 7.

In the year 2011, 47% of the respondents indicated that the performance contracting ranking of their state corporation was between number 16 – 25, 34% of the respondents indicated that the performance contracting ranking of their state corporation was between number 8–15, 15% of the respondents indicated that the performance contracting ranking of their state corporation was between number 1 – 7 while only 5% of the respondents indicated that the performance contracting ranking of their state corporation was above number 25. In the year 2012, 50% of the respondents indicated that the performance contracting ranking of their state corporation was between number 8–15, 36% of the respondents indicated that the performance contracting ranking of their state corporation was between number16 – 25, 10% of the respondents indicated that the performance contracting ranking of their state corporation was between number 1 – 7 while only 5% of the respondents indicated that the performance contracting ranking of their state corporation was above number 25.

In the year 2013, 50% of the respondents indicated that the performance contracting ranking of their state corporation was between number 8–15, 31% of the respondents indicated that the performance contracting ranking of their state corporation was between number 16 – 25, 15% of the respondents indicated that the performance contracting ranking of their state corporation was between number 1 – 7 while only 5% of the respondents indicated that the performance contracting ranking of their state corporation was above number 25.In the year 2014, 47% of the respondents indicated that the performance contracting ranking of their state corporation was between number 16 – 25, 24% of the respondents indicated that the performance contracting ranking of their state corporation was between number 8–15, 15% of the respondents indicated that the performance contracting ranking of their state corporation was between number 1 – 7 and above number 25 respectively.

Table 4.62: Range of the Performance Contracting Ranking

Year	**2010**	**2011**	**2012**	**2013**	**2014**
Between number 1 - 7	15	15	10	15	15
Between number 8 - 15	34	34	50	50	47
Between number 16 - 25	35	47	36	31	24
Above number 25	17	5	5	5	15
Total	**100**	**100**	**100**	**100**	**100**

4.11.2 Customer Satisfaction Index

The respondents were asked to indicate the customer satisfaction index of their state corporation for the past five years. Results are presented in table 4.63. In the year 2010, 61% of the respondents indicated that the customer satisfaction index of their state corporation was less than 50% while 39% of the respondents indicated that the customer satisfaction index of their state corporation was between 51 - 75%. In the year 2011, 71% of the respondents indicated that the customer satisfaction index of their state corporation was between 51 - 75% while 29% of the respondents indicated that the customer satisfaction index of their state corporation was less than 50%.

In the year 2012, 85% of the respondents indicated that the customer satisfaction index of their state corporation was between 51 - 75% while 15% of the respondents indicated that the customer satisfaction index of their state corporation was less than 50%. In the year 2013, 59% of the respondents indicated that the customer satisfaction index of their state corporation was between 51 - 75%, 26% of the respondents indicated that the customer satisfaction index of their state corporation was more than 75% while 15% of the respondents indicated that the customer satisfaction index of their state corporation was less than 50%.

In the year 2014, 49% of the respondents indicated that the customer satisfaction index of their state corporation was between 51 - 75%, 42% of the respondents indicated that the customer satisfaction index of their state corporation was more than 75% while 10% of the respondents indicated that the customer satisfaction index of their state corporation was less than 50%.

Table 4.63: Range of the Customer Satisfaction Index

Year	**2010**	**2011**	**2012**	**2013**	**2014**
Less than 50%	61	29	15	15	10
51% - 75%	39	71	85	59	49
More than 75%	0	0	0	26	42
Total	**100**	**100**	**100**	**100**	**100**

Further, the respondents were asked to indicate other ways in which leadership competencies have influenced customer satisfaction. The respondents indicated that leadership competencies have influenced customer satisfaction in various ways such as increasing the level of customer satisfaction which results to high customer turnover in the state corporation, quick problem solving for customers, improved customer trust and quick response to any issues raised by the customers.

4.11.3 Employee Satisfaction Index

The respondents were asked to indicate the employee satisfaction index of their state corporation for the past five years. Results are presented in table 4.64. In the year 2010, 45% of the respondents indicated that the employee satisfaction index of their state corporation was between 51 - 75%, 39% of the respondents indicated that the employee satisfaction index of their state corporation was less than 50%while 17% of the respondents indicated that the employee satisfaction index of their state corporation was above 75%. In the year 2011, 60% of the respondents indicated that the employee satisfaction index of their state corporation was between 51 - 75%, 24% of the respondents indicated that the employee satisfaction index of their state corporation was above 75% while 16% of the respondents indicated that the employee satisfaction index of their state corporation was less than 50%.

In the year 2012, 59% of the respondents indicated that the employee satisfaction index of their state corporation was between 51 - 75%, 23% of the respondents indicated that the employee satisfaction index of their state corporation was less than 50% while 17% of the respondents indicated that the employee satisfaction index of their state corporation was above 75%. In the year 2013, 53% of the respondents indicated that the employee satisfaction index of their state corporation was between 51 - 75%, 32% of the respondents indicated that the employee satisfaction index of their state corporation was less than 50% while 15% of the respondents indicated that the employee satisfaction index of their state corporation was above 75%. In the year 2014, 44% of the respondents indicated that the employee satisfaction index of their state corporation was between 51 - 75%, 29% of the respondents indicated that the employee satisfaction index of their state corporation was above 75% while 27% of the respondents indicated that the employee satisfaction index of their state corporation was less than 50%.

Table 4.64: Range of the Employee Satisfaction Index

Year	**2010**	**2011**	**2012**	**2013**	**2014**
Less than 50%	39	16	17	32	27
51% - 75%	45	60	59	53	44
Above 75%	17	24	24	15	29
Total	**100**	**100**	**100**	**100**	**100**

Further, the respondents were asked to indicate other ways in which leadership competencies have influenced customer satisfaction. The respondents indicated that leadership competencies have increased the level of employee satisfaction among the state corporations.

4.11.4 Environmental Sustainability Index

The respondents were asked to indicate the environmental sustainability index of their state corporation for the past five years. Results are presented in table 4.65. In the year 2010, 51% of the respondents indicated that the environmental sustainability index of their state corporation was less than 50% while 39% of the respondents indicated that the environmental sustainability index of their state corporation was between 51 - 75%. In the year 2011, 53% of the respondents indicated that the environmental sustainability index of their state corporation was between 51 - 75%

while 47% of the respondents indicated that the environmental sustainability index of their state corporation was less than 50%.

In the year 2012, 75% of the respondents indicated that the environmental sustainability index of their state corporation was between 51 - 75% while25% of the respondents indicated that the environmental sustainability index of their state corporation was less than 50%.In the year 2013, 65% of the respondents indicated that the environmental sustainability index of their state corporation was between 51 - 75%, 20% of the respondents indicated that the environmental sustainability index of their state corporation was less than 50% while 15% of the respondents indicated that the environmental sustainability index of their state corporation was above 75%. In the year 2014, 60% of the respondents indicated that the environmental sustainability index of their state corporation was between 51 - 75%, 20% of the respondents indicated that the environmental sustainability index of their state corporation was less than 50%while 19% of the respondents indicated that the environmental sustainability index of their state corporation was above 75%.

Table 4.65: Range of the Environmental Sustainability Index

Year	**2010**	**2011**	**2012**	**2013**	**2014**
Less than 50%	51	47	25	20	20
51% - 75%	49	53	75	65	60
Above 75%	0	0	0	15	19
Total	**100**	**100**	**100**	**100**	**100**

Further, the respondents were asked to indicate other ways in which leadership competencies have influenced environmental sustainability. The respondents indicated that leadership competencies have accrued the community benefits such as increasing coherence between the community and the state corporations.

4.12 Multivariate Multiple Linear Regression

4.12.1 Relationship between Leadership Competencies and Financial Performance of State Corporations

The results presented in table 4.66 present the fitness of model used of the regression model in explaining the study phenomena. The leadership competencies explained 58.2% of the financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 58.2%. This means that leadership competencies competency explain 58.2% of the financial performance of state corporations in Kenya.

Table 4.66: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.773	0.598	0.582	0.47225

Table 4.67 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.000 which is lesser than the critical p value of 0.05. The $F_{cal=36.479} > F_{critical=2.4599 \text{ at } \alpha\ 0.05}$ which imply that leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) are good predictor of the financial performance of state corporations.

Table 4.67: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	32.543	4	8.136	36.479	0.000
Residual	21.856	98	0.223		
Total	54.399	102			

Regression of coefficients results in table 4.68 shows that is a positive and significant relationship between leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) and financial performance of state corporations as supported by beta coefficient of 0.910, 0.472, 1.077 and 0.763 respectively. This was also supported by the t values whereby $t_{cal=6.876\ 4.039,\ 8.644,\ 5.742} > t_{critical\ =1.96\ at\ a\ 95\ percent\ confidence\ level}$ which depicts that we reject the null hypothesis and accept the alternative. These findings agree with those of Laguna, Wiechetek and Talik (2012) who asserted that leadership competencies were significant predictors of success in running a business.

This implies that increase in self-awareness leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.910 units. This also implies that increase in self-management leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.472 units. This also implies that increase in social awareness leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 1.077 units. Further, this implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.763 units.

Table 4.68: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.105	0.218	0.479	0.633
Self-Awareness Leadership Competency	0.910	0.132	6.876	0.000
Self-Management Leadership Competency	0.472	0.117	4.039	0.000
Social Awareness Leadership Competency	1.077	0.125	8.644	0.000
Social Skills Leadership Competency	0.763	0.133	5.742	0.000

Financial Performance of State Corporations = 0.105 + 0.910 (Self-Awareness Leadership Competency) + 0.472 (Self-Management Leadership Competency) + 1.077 (Social Awareness Leadership Competency) + 0.763 (Social Skills Leadership Competency)

4.12.1.1 Moderating Effect of Organization Size on Financial Performance

Results in table 4.69 shows that organization size does not have any moderating effect on the financial performance of state corporations. This can be explained by the fact that the p value of 0.209 which is greater than the critical p value of 0.05. This was supported by the t value whereby $t_{cal=1.265} > t_{critical} = 1.96$ at a 95 percent confidence level which depicts that we accept the null hypothesis.

Table 4.69: Moderating Effect of Organization Size on Financial Performance

Variable	B	Std. Error	t	Sig.
(Constant)	1.435	0.294	4.876	0.000
Composite Leadership Competencies	0.137	0.306	0.448	0.655
Moderating Effect of Organization Size	0.114	0.09	1.265	0.209

4.12.2 Relationship between Leadership Competencies and Non-Financial Performance of State Corporations

The results presented in table 4.70 present the fitness of model used of the regression model in explaining the study phenomena. The leadership competencies explained 14.7% of the non-financial performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 14.7%. This means that leadership competencies competency explain 14.7% of the non-financial performance of state corporations in Kenya.

Table 4.70: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.425	0.18	0.147	0.20207

Table 4.71 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.001 which is lesser than the critical p value of 0.05. The $F_{cal=5.393} > F_{critical=2.4599\ at\ \alpha\ 0.05}$ which imply that leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) are good predictors of the non-financial performance of state corporations.

Table 4.71: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	0.881	4	0.22	5.393	0.001
Residual	4.001	98	0.041		
Total	4.882	102			

Regression of coefficients results in table 4.72 shows that is a positive and significant relationship between social awareness leadership competency and social skills leadership competency and non-financial performance of state corporations as supported by beta coefficient of 0.119 and 0.241 respectively. This was also supported by the t values whereby $t_{cal=2.237,\ 4.235} > t_{critical=1.96}$ at a 95 percent confidence level which depicts that we reject the null hypothesis and accept the alternative.

These findings concur with those of Avery (2004) who observes that the quality of leadership competencies directly and greatly influences an organization's performance. These findings are also with those of Yulk (2006) who posits that there is a fundamental and definitional link between leadership competencies and performance as it involves communicating to people their worth and potential.

This implies that increase in social awareness leadership competencies amongst the leaders in the top management would increase the non-financial performance of state corporations by 0.119 units. This also implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the non-financial performance of state corporations by 0.241 units.

Results in table 4.72 also show that there exist a positive but insignificant relationship between self-management leadership competency, self-awareness leadership competency and the non-financial performance of state corporations. This was also supported by the t values whereby $t_{cal=1.62,\ 1.587} < t_{critical} = 1.96$ at a 95 percent confidence level which depicts that we accept the null hypothesis. This implies that self-management leadership competency and social awareness leadership competency have no influence on the non-financial performance of state corporations.

Table 4.72: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.764	0.093	18.872	0.000
Self-Awareness Leadership Competency	0.092	0.057	1.62	0.108
Self-Management Leadership Competency	0.079	0.05	1.587	0.116
Social Awareness Leadership Competency	0.119	0.053	2.237	0.028
Social Skills Leadership Competency	0.241	0.057	4.235	0.000

Non - Financial Performance of State Corporations = 1.764 + 0.119 (Social Awareness Leadership Competency) + 0.241 (Social Skills Leadership Competency)

4.12.2.1 Moderating Effect of Organization Size on Non-financial Performance

Results in table 4.73 indicate that organization size has a positive and significant moderation effect between leadership competencies and the non-financial performance of state corporations in Kenya. This was supported by a p value of 0.002 and a beta coefficient of 0.084. This was also supported by the t values whereby $t_{cal=3.106} > t_{critical} = 1.96$ at a 95 percent confidence level which depicts that we reject the null hypothesis and accept the alternative. This findings agree with those of Kinoti's (2012) who established a moderating effect of organizational characteristics measured in terms of age and size of the firm and type of industry and ownership on the corporate image and performance of ISO 9000 and 14000 certified organizations in Kenya.

Table 4.73: Moderating Effect of Organization Size on Non-financial Performance

Variable	B	Std. Error	t	Sig.
(Constant)	1.673	0.089	18.88	0.000
Composite Leadership Competencies	0.35	0.092	3.799	0.000
Moderating Effect of Organization Size	0.084	0.027	3.106	0.002

Non - Financial Performance of State Corporations = 1.673 + 0.350 (Leadership Competencies) + 0.084 (Moderating Effect of Organization Size)

4.13 Overall Multiple Linear Regression

The results presented in table 4.74 present the fitness of model used of the regression model in explaining the study phenomena. The leadership competencies explained 54% of the overall performance of state corporations in Kenya. This is supported by coefficient of determination also known as the R square of 54%. This means that leadership competencies explain 58.1% of the overall performance of state corporations in Kenya.

Table 4.74: Model Fitness

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.747	0.558	0.54	0.27954

Table 4.75 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant as supported by a p value of 0.000 which is lesser than the critical p value of 0.05. The $F_{cal=30.880} > F_{critical=2.4599}$

at α 0.05 which imply that leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) are good predictor of the overall performance of state corporations.

Table 4.75: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	9.652	4	2.413	30.88	0.000
Residual	7.658	98	0.078		
Total	17.31	102			

Regression of coefficients results in table 4.76 shows that is a positive and significant relationship between leadership competencies (self-awareness leadership competency, self-management leadership competency, social awareness leadership competency and social skills leadership competency) and overall performance of state corporations as supported by beta coefficient of 0.501, 0.196, 0.598 and 0.502 respectively. This was also supported by the t values whereby $t_{cal=6.394,\ 2.838,\ 8.110,\ 6.381} > t_{critical\ =1.96}$ at a 95 percent confidence level which depicts that we reject the null hypothesis and accept the alternative.

These findings agree with those of Mehrdad, Sven and Viguerie (2010) who conducted a statistical analysis of the relationship between managerial quality and revenue growth, across a global sample of more than 5,000 leaders in 47 listed companies. The study confirmed that talent matters: executives of high-growth companies have a higher level of competency than those of low-performing firms. But the study also made it clear that having good leaders is not good enough; only excellence makes the difference. Companies with outstanding leadership teams have a high correlation with revenue growth, while those with solid but unexceptional leaders have no correlation at all.

This implies that increase in self-awareness leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.501 units. This also implies that increase in self-management leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.196 units. This also implies that increase in social awareness leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.598 units. Further, this implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.502 units.

Table 4.76: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.934	0.129	7.226	0.000
Self-Awareness Leadership Competency	0.501	0.078	6.394	0.000
Self-Management Leadership Competency	0.196	0.069	2.838	0.006
Social Awareness Leadership Competency	0.598	0.074	8.11	0.000
Social Skills Leadership Competency	0.502	0.079	6.381	0.000

Overall Performance of State Corporations = 0.934 + 0.501 (Self-Awareness Leadership Competency) + 0.196 (Self-Management Leadership Competency) + 0.598 (Social Awareness Leadership Competency) + 0.502 (Social Skills Leadership Competency)

4.13.1 Moderating Effect of Organization Size on Overall Performance

Results in table 4.69 shows that organization size does not have any moderating effect on the financial performance of state corporations. . This can be explained by the fact that the p value of 0.771 which is greater than the critical p value of 0.05. This was supported by the t value whereby t cal=0.292 > t critical =1.96 at a 95 percent confidence level which depicts that we accept the null hypothesis.

Table 4.77: Moderating Effect of Organization Size on Overall Performance

Variable	B	Std. Error	t	Sig.
(Constant)	1.554	0.166	9.362	0.000
Composite Leadership Competencies	0.243	0.173	1.411	0.161
Moderating Effect of Organization Size	0.015	0.051	0.292	0.771

4.14 Hypothesis Testing and Discussion

This section presents the hypothesis testing of the study variables. The rule of thumb was to reject the null hypothesis if the independent variable had a significant relationship with the dependent variable. The significance was tested at a critical P value of 0.05. Results for the hypothesis testing are as presented in table 4.78.

Table 4.78: Hypothesis Testing and Discussion

Objective No	Objective	Hypothesis	Rule	P value Financial Performance	P value Non-financial performance	P value Overall	Comment
Objective 1	To determine the effect of self-awareness leadership competency on performance of state corporations in Kenya.	H01: Self awareness leadership competency does not influence the performance of state corporations in Kenya.	Reject H01 if p value for any aspect of performance of state corporations <0.05	0.000	0.108	0.000	The hypothesis was rejected for financial performance and overall performance but was not rejected for non-financial performance.
Objective 2	To establish the effect of self-management leadership competency on performance of state corporations in Kenya.	H02: Self management leadership competency does not influence the performance of state corporations in Kenya.	Reject H02 if p value for any aspect of performance of state corporations <0.05	0.000	0.116	0.006	The hypothesis was rejected for financial performance and overall performance but was not rejected for non-financial performance.
Objective 3	To examine the effect of social awareness	H03: Social awareness leadership competency	Reject H03 if p value for	0.000	0.028	0.000	The hypothesis was rejected fully.

	leadership competency on performance of state corporations in Kenya.	does not influence the performance of state corporations in Kenya.	any aspect of performance of state corporations <0.05				
Objective 4	To assess the effect of social skills leadership competency on performance of state corporations in Kenya.	H04: Social skills leadership competency does not influence the performance of state corporations in Kenya.	Reject H04 if p value for any aspect of performance of state corporations <0.05	0.000	0.000	0.000	The hypothesis was rejected fully.
Objective 5	To establish the moderating effect of organization size on the relationship between leadership competencies and performance of state corporations in Kenya.	H05: Organization size does not have any moderating effect on the relationship between leadership competencies and performance of state corporations in Kenya.	Reject H05 if p value for any aspect of performance of state corporations <0.05	0.279	0.002	0.771	The hypothesis was not rejected for financial performance and overall performance but was rejected for non financial performance.

4.15 Optimal Conceptual Framework

Based on the conceptual framework and the research results, the following optimal conceptual model and relationships between the independent and dependent variable have been developed. From the study findings, the optimal conceptual framework is as presented in figure 4.2.

Overall Performance of State Corporations = 0.934 + 0.501 (Self-Awareness Leadership Competency) + 0.196 (Self-Management Leadership Competency) + 0.598 (Social Awareness Leadership Competency) + 0.502 (Social Skills Leadership Competency)

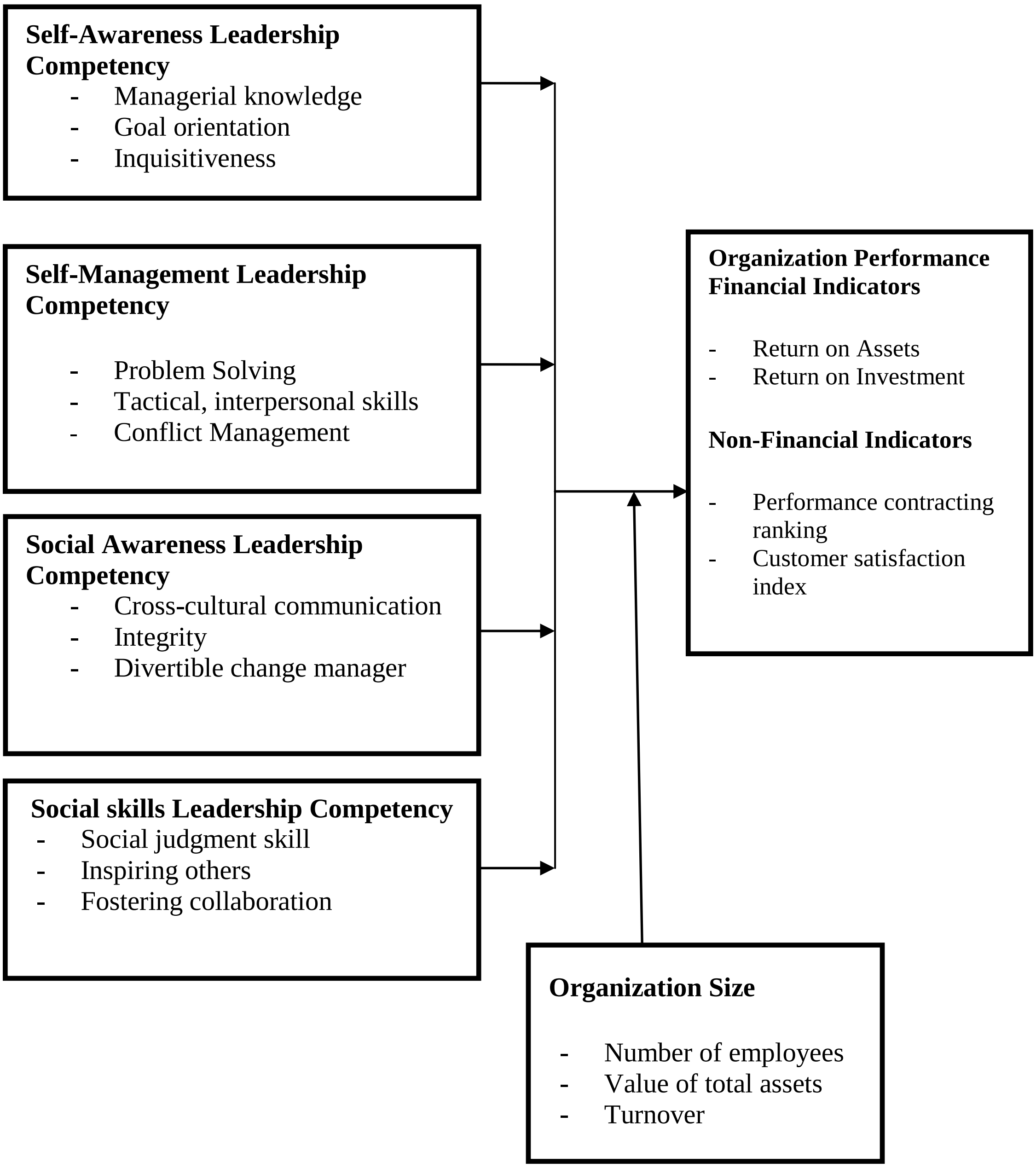


Figure 4.2: Performance of State Corporations Model

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary of the findings, the conclusion and recommendations. This was done in line with the objectives of the study. Areas of further research were suggested and limitations of the study were taken into account.

5.2 Summary of Findings

This section summarizes the findings obtained in chapter four in line with the study objectives.

5.2.1 Self Awareness Leadership Competency and Performance of State Corporations

The first objective was to determine the effect of self-awareness leadership competency on performance of state corporations in Kenya. The univariate regression results showed that there is a positive and significant relationship between self-awareness leadership competency and financial performance of state corporations as supported by a p value of 0.030 and a beta coefficient of 0.664. This implies that increase in self-awareness leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.664 units.

The univariate regression results also revealed that there is a positive but insignificant relationship between self-awareness leadership competency and non-financial performance of state corporations as shown by a p value of 0.796 which is greater than the critical p value of 0.05. This implies that self-awareness leadership competencies have no effect on the non-financial performance of state corporations in Kenya.

The multivariate regression results revealed that there exist a positive and significant relationship between self-awareness leadership competency and financial performance of state corporations as supported by beta coefficient of 0.910.This implies that increase in self-awareness leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.910 units.

The multivariate regression results also show that is a positive but insignificant relationship between self-awareness leadership competency and non-financial performance of state corporations. This implies that in self-awareness leadership competencies amongst the leaders in the top management did not have any influence on the non-financial performance of state corporations.

The overall regression results shows that is a positive and significant relationship between self-awareness leadership competency and overall performance of state corporations as supported by beta coefficient of 0.501.This implies that increase in self-awareness leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.501 units.

This shows that the individual influence of self-awareness leadership competency on the financial performance of the state corporations is lesser than the corporate influence (all the leadership competencies combined). Similarly, the influence of self-awareness leadership competency on the non-financial performance of the state corporations is insignificant in all circumstances. This is an indication that the presence of other leadership competencies improved the influence of self-awareness leadership competency.

5.2.2 Self-Management Leadership Competency and Performance of State Corporations

The second objective of the study was to establish the effect of self-management leadership competency on performance of state corporations in Kenya. The univariate regression results revealed that there is a positive and significant relationship between self-management leadership competency and financial performance of state corporations as supported by a p value of 0.000 and a beta coefficient of 0.547. This implies that increase in self-management leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.547 units. The univariate regression results also revealed that there is a positive but insignificant relationship between self-management leadership competency and non-financial performance of state corporations as shown by a p value of 0.166 which is greater than the critical p value of 0.05. This implies that self-management leadership competencies have no effect on the non-financial performance of state corporations in Kenya.

The multivariate regression results revealed that there exist a positive and significant relationship between self-management leadership competency and financial performance of state corporations as supported by beta coefficient of 0.472.This implies that increase in self-management leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.472 units.

The multivariate regression results also show that there exist a positive but insignificant relationship between self-management leadership competency and the non-financial performance of state corporations. This implies that self-management leadership competency has no influence on the non-financial performance of state corporations.

The overall regression results shows that is a positive and significant relationship between self-management leadership competency and overall performance of state corporations as supported by beta coefficient of 0.196. This implies that increase in self-management leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.196 units.

This shows that the individual influence of self management leadership competency on the financial performance of the state corporations is higher than the corporate influence (all the leadership competencies combined). In addition, the influence of self management leadership competency on the non-financial performance of the state corporations is insignificant in all circumstances. This is an indication that the presence of other leadership competencies decreased the influence of self management leadership competency.

5.2.3 Social Awareness Leadership Competency and Performance of State Corporations

The third objective was to examine the effect of social awareness leadership competency on performance of state corporations in Kenya. Univariate regression results showed that there is a positive but insignificant relationship between social-awareness leadership competency and financial performance of state corporations as show by a p value of 0.552 which is higher than the critical p value of 0.05. This implies that social-awareness leadership competency on its own does not influence the financial performance of state corporations.

Univariate regression results also showed that there is a positive but insignificant relationship between social-awareness leadership competency and non-financial performance of state corporations as shown by a p value of 0.109 which is greater than the critical p value of 0.05. This implies that social-awareness leadership competencies have no effect on the non-financial performance of state corporations in Kenya.

The multivariate regression results revealed that there is a positive and significant relationship between leadership competencies social awareness leadership competency and financial performance of state corporations as supported by beta coefficient of 1.077.This implies that increase in social awareness leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 1.077 units. The multivariate regression results also show that is a positive and significant relationship between social awareness leadership competency and non-financial performance of state corporations

The overall regression results shows that is a positive and significant relationship between social awareness leadership competency and overall performance of state corporations as supported by beta coefficient of 0.598.This implies that increase in social awareness leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.598 units.

This shows that the individual influence of social awareness leadership competency on both financial and non-financial performance of the state corporations is lesser than the corporate influence (univariate versus multivariate regression). Similarly, the influence of social awareness leadership competency on the non-financial performance of the state corporations is positive when all the leadership competencies combined. This is an indication that the presence of other leadership competencies improved the influence of social awareness leadership competency.

5.2.4 Social Skills Leadership Competency and Performance of State Corporations

The fourth objective of the study was to assess the effect of relationship management leadership competency on performance of state corporations in Kenya. The univariate regression results showed that there is a positive and significant relationship between social skills leadership competency and financial performance of state corporations as supported by a p value of 0.006 and a beta coefficient of 0.27. This implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.27 units.

The univariate regression results also showed that there is a positive and significant relationship between social skills leadership competency and non-financial performance of state corporations as supported by a p value of 0.000 and a beta coefficient of 0.103. This implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the non-financial performance of state corporations by 0.103 units.

The multivariate regression results revealed that there is a positive and significant relationship between social skills leadership competency and financial performance of state corporations as supported by beta coefficient of 0 0.763.This implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the financial performance of state corporations by 0.763 units.

The multivariate regression results also show that is a positive and significant relationship between social skills leadership competency and non-financial performance of state corporations as supported by beta coefficient of 0.241.This implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the non-financial performance of state corporations by 0.241 units.

The overall regression results show that is a positive and significant relationship between social skills leadership competency and overall performance of state corporations as supported by beta coefficient of 0.502. This implies that increase in social skills leadership competencies amongst the leaders in the top management would increase the overall performance of state corporations by 0.502 units.

This shows that the individual influence of social skills leadership competency on both financial and non-financial performance of the state corporations is lesser than the corporate influence (univariate versus multivariate regression). This is an indication that the presence of other leadership competencies improved the influence of social skills leadership competency.

5.2.5 Organization Size

The fifth objective of the study was to establish the moderating effect of organization size on the relationship between leadership competencies and performance of state corporations in Kenya. The regression results revealed that organization size does not have any moderation effect between leadership competencies and the financial performance of state corporations in Kenya. The regression results also revealed that organization size does has a positive and significant moderation effect between leadership competencies and the financial performance of state corporations in Kenya. This was supported by a p value of 0.002 and a beta coefficient of 0.084. However, the overall regression results show that organization size does not have any moderation effect between leadership competencies and the overall performance of state corporations in Kenya. This implies that the size of the organizations only affects the non-financial performance of state corporations but to a small magnitude as shown by the beta coefficient of 0.084.

5.3 Conclusions

5.3.1 Self Awareness Leadership Competency

Based on the findings the study concluded that self-awareness leadership competency influenced the performance of state corporations in Kenya. Individually, self awareness leadership competency influenced the financial performance of the state corporations but did not influence non-financial performance. Similarly, the multivariate regression results revealed that that self-awareness leadership competency influenced the financial performance of the state corporations but did not have any influence on the non-financial performance of the state corporations. Overall the self-awareness leadership competency influenced the financial performance of the state corporations. This implies that the size of the organizations only affects the non-financial performance of state corporations but to a small magnitude as shown by the beta coefficient of 0.084.

5.3.2 Self-Management Leadership Competency

The study concluded that self-management leadership competency influenced the performance of state corporations in Kenya. This was supported by both the univariate and the multivariate regression analysis which revealed that self management leadership competency only influenced the financial performance of the state corporations but did not influence the non-financial performance of state corporations in Kenya. Further, the overall regression results revealed that self management leadership competency influenced the financial performance of the state corporations.

5.3.3 Social Awareness Leadership Competency

Based on the findings the study concluded that social awareness leadership competency influenced the performance of state corporations in Kenya. This was supported by the univariate regression results which showed that social awareness leadership competency influenced the financial performance of the state corporations but did not influence the non-financial performance of state corporations in Kenya. This was also supported by the multivariate regression results which revealed that social awareness leadership competency influenced the both financial and non-financial performance of the state corporations. Further, the overall regression results revealed that social awareness leadership competency influenced the financial performance of the state corporations.

5.3.4 Social Skills Leadership Competency

The study concluded that social skills leadership competency influenced the performance of state corporations in Kenya. This can be explained by the univariate regression results showed that social skills leadership competency influenced the both financial and non-financial performance of the state corporations 0.270 units. This was also supported by the multivariate regression results which revealed that social skills leadership competency influenced both the financial and non-financial performance of the state corporations. Further, overall regression results revealed that social skills leadership competency influenced the financial performance of the state corporations.

5.3.5 Organization Size

Based on the study findings the study concluded that organization size only influences the relationship between leadership competencies and the non-financial performance of state corporations. This was supported by the multivariate regression results which revealed that organization size has a positive and significant moderation effect between leadership competencies and the non-financial performance of state corporations in Kenya However, organization size did not have any moderation effect between leadership competencies and the financial performance of state corporations in Kenya as depicted by the multivariate regression. Similarly, the overall regression results showed that organization size does not have any moderation effect between leadership competencies and the overall performance of state corporations in Kenya.

5.4 Recommendations

The study recommendations are in line with the objectives, findings and conclusions of the study.

5.4.1 Self Awareness Leadership Competency

The study recommended that state corporations should adopt a culture of conducting trainings on self-awareness leadership competency. This could go a long way in ensuring better financial and non-financial performance of the state corporations. This would be realized as through training the ability of leaders to be visionary would be increased, the managerial knowledge of leaders would also be increased as well as the ability of leaders to be goal oriented. Further, the ability of leaders to be inquisitive would be increased.

5.4.2 Self-Management Leadership Competency

The study also recommended that state corporations should adopt a culture of conducting trainings on self-management leadership competency. This could go a long way in ensuring better financial performance of the state corporations. This would be realized as through training the ability of leaders to solve problems would be increased, the tactical and interpersonal skills of leaders would also be increased as well as the ability of leaders to manage conflicts. Further, the ability of leaders to think strategically would be increased.

5.4.3 Social Awareness Leadership Competency

The study also recommended that state corporations should adopt a culture of conducting trainings on social awareness leadership competency. This could go a long way in ensuring better financial and non-financial performance of the state corporations. This would be realized as through training the cross cultural communication in the corporation would be increased, the virtue of integrity in the corporation would also be increased as well as the aspect of divertible change manager in the corporation.

5.4.4 Social Skills Leadership Competency

The study also recommended that state corporations should adopt a culture of conducting trainings on social skills leadership competency. This could go a long way in ensuring better financial and non-financial performance of the state corporations. This would be realized as through training the magnitude of social judgmental skills amongst the leaders would be increased, the ability of leaders to inspire other employees would also be increased as well as the ability of leaders to foster collaboration.

5.5 Contribution of the Study to Theory/Existing Knowledge

The study made various contributions to theory building. First, the study developed a conceptual framework for underpinning future research work on the relationship between leadership competencies on performance of state corporations. The study successfully tested hypothesis related to the original conceptual framework developed in chapter two. Based on research findings, it was found that future conceptual frameworks and theories should focus on particular aspects of leadership competencies.

The study also added value to theory building by itemizing the most important aspects of leadership competencies in performance of state corporations. In particular, this study was able to pinpoint particular aspects of self-awareness leadership competencies, self-management leadership competencies, social awareness leadership competencies and social skills leadership competencies which are relevant to certain aspects of performance of state corporations. The study also made a contribution as a far as ordering and prioritizations of leadership competencies are concerned. The study noted that social awareness leadership competencies were the most significant in enhancing the performance of state corporations.

5.6 Suggested Areas for Further Study

The study recommends that a similar study should be conducted in the private sector for comparison purposes. The study also recommends that a study seeking to establish other leadership competencies that affect performance should be conducted. This would help to give insight to state corporations and organizations in the private sector on what other kinds of training they can conduct. As a result, this would translate to better performance.

Further, the study recommends that a study on the influence of demographic factors on leadership competencies should be conducted. This would help to establish whether there is a certain aspect such as gender and gender that influences a particular type of competencies. This would help to categorize the employees with regard the competencies they are best at and this would assist to maximize the performance.

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APPENDICES

Appendix I: Introduction Letter

Chief Executive Office

P.O Box ……………..

Nairobi.

Dear Sir,

RE: ACADEMIC RESEARCH PROJECT

I am a PhD student at the Jomo Kenyatta and Technology University (JKUAT). I wish to conduct a research entitled ***"effect of leadership competencies on the performance of state corporations in Kenya''***.A questionnaire has been designed and will be used to gather relevant information to address the research objectives of the study. The purpose of writing to you is to request for permission to collect information on this important subject from randomly selected members of staff.

Please note that the study will be conducted as an academic research and the information provided will be treated in strict confidence. Strict ethical principles will be observed to ensure confidentiality and the study outcomes and reports will not include reference to any individuals.

Your acceptance will be highly appreciated.

Yours Sincerely

Jimmy Mutuku Mwithi

Appendix II: Questionnaire

This questionnaire is meant to gather information regarding the effect of leadership competencies on the performance of state corporations in Kenya.

CONFIDENTIALITY CLAUSE:

The responses you provide will be used for academic purposes and will be strictly confidential.

<u>SECTION A: Demographic data</u>

1. Gender
   a) Male ☐ b) Female ☐

2. Highest level of education
   a) Secondary level ☐ b) College level ☐
   c) University level ☐ d) Post graduate level ☐

3. Number of years in current employment
   a) less than one year ☐ b) 1 to 2 year ☐
   c) 3 to 5 years ☐ d) More than 5 years ☐

4. Age
   a) 21-30 years ☐
   b) 31-40 years ☐
   c) 41-50 years ☐
   d) 51 years & above ☐

SECTION B: SELF-AWARENESS LEADERSHIP COMPETENCY

5. How frequently has your organization sponsored trainings on self-awareness for the leaders and top management for the last five years?

Number of Times	**2010**	**2011**	**2012**	**2013**	**2014**
Never					
Once					
Twice					
More than two					

6. How does self-awareness leadership competency influence performance of your state corporation?

   a. Increased performance by 0-5% [ ]
   b. Increased performance by 6-10% [ ]
   c. Increased performance by more than10% [ ]

7. (a). Does your organization have the right combination of the self awareness leadership competencies it should use so as to ensure consistency in its performance?

   Yes { } No { }

(b). If Yes to question 7 (a), how has the use of the right combination of the self awareness leadership competencies influenced the performance of your corporation.

i). Increased the ability of leaders to be visionary { }
ii). Increased the managerial knowledge of leaders { }
iii). Increased the ability of leaders to be goal oriented { }
iv). Increased the ability of leaders to be inquisitive { }

(c). If No to question 7 (a), how has lack of use of the right combination of the self awareness leadership competencies influenced the performance of your corporation.

i). Decreased the ability of leaders to be visionary { }
ii). Decreased the managerial knowledge of leaders { }
iii). Decreased the ability of leaders to be goal oriented { }
iv). Decreased the ability of leaders to be inquisitive { }

8. In what other ways has the use of right combination of self awareness leadership competencies influenced the performance of your organization?---------------------
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SECTION C: SELF-MANAGEMENT LEADERSHIP COMPETENCY

9. How frequently has your organization sponsored trainings on self-management for the leaders and top management for the last five years?

Number of Times	2010	2011	2012	2013	2014
Never					
Once					
Twice					
More than two					

10. How does self-management leadership competency influence performance of your state corporation?
    a. Increased performance by 0-5% [ ]
    b. Increased performance by 6-10% [ ]
    c. Increased performance by more than10% [ ]

11. (a). Does your organizations have the right combination of the self management leadership competencies it should use so as to ensure consistency in its performance?

Yes { } No { }

(b). If Yes to question 11 (a), how has use of the right combination of the self management leadership competencies influenced the performance of your corporation.

i). Increased the ability of leaders to solve problems { }
ii). Increased the tactical and interpersonal skills of leaders { }
iii). Increased the ability of leaders to manage conflicts { }
iv). Increased the ability of leaders to think strategically { }

(c). If No to question 11 (a), how has lack of use of the right combination of the self management leadership competencies influenced the performance of your corporation.

i). Decreased the ability of leaders to solve problems { }
ii). Decreased the tactical and interpersonal skills of leaders { }
iii). Decreased the ability of leaders to manage conflicts { }
iv). Decreased the ability of leaders to think strategically { }

12. In what other ways has the use of right combination of self management leadership competencies influenced the performance of your organization?--------
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SECTION D: SOCIAL-AWARENESS LEADERSHIP COMPETENCY

13. How frequently has your organization sponsored trainings on social-awareness for the leaders and top management for the last five years?

Number of Times	**2010**	**2011**	**2012**	**2013**	**2014**
Never					
Once					
Twice					
More than two					

14. How does social-awareness leadership competency influence performance of your state corporation?
    a. Increased performance by 0-5% [ ]
    b. Increased performance by 6-10% [ ]
    c. Increased performance by more than10% [ ]
15. (a). Does your organizations have the right combination of the social awareness leadership competencies it should use so as to ensure consistency in its performance?

Yes { } No { }

(b). If Yes to question 15 (a), how has use of the right combination of the social awareness leadership competencies influenced the performance of your corporation.

i). Increased cross cultural communication in the corporation { }
ii). Increased the virtue of integrity in the corporation { }
iii). Increased the aspect of divertible change manager in the corporation{ }

(c). If No to question 15 (a), how has lack of use of the right combination of the social awareness leadership competencies influenced the performance of your corporation.

i). Decreased cross cultural communication in the corporation { }
ii). Decreased the virtue of integrity in the corporation { }
iii). Decreased aspect of divertible change manager in the corporation{ }

16. In what other ways has the use of right combination of social awareness leadership competencies influenced the performance of your organization?--------
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SECTION E: SOCIAL SKILLSLEADERSHIP COMPETENCY

17. How frequently has your organization sponsored trainings on social skills for the leaders and top management for the last five years?

Number of Times	**2010**	**2011**	**2012**	**2013**	**2014**
Never					
Once					
Twice					
More than two					

18. How does social skills leadership competency influence performance of your state corporation? Tick the most applicable

i). Increased performance by 0-5% [ ]
ii). Increased performance by 6-10% [ ]
iii). Increased performance by more than10% [ ]

19. (a). Does your organizations have the right combination of the social skills leadership competencies in order to ensure consistency in its performance?

Yes { } No { }

(b). If Yes to question 19 (a), how has use of the right combination of the social skills leadership competencies influenced the performance of your corporation. Tick the most applicable

i). Increased the magnitude of social judgmental skills amongst the leaders { }
ii). Increased the ability of leaders to inspire others { }
iii). Increased the ability of leaders to foster collaboration { }

(c). If No to question 19 (a), how has lack of use of the right combination of the social skills leadership competencies influenced the performance of your organization? Tick the most applicable

i). Decreased the magnitude of social judgmental skills amongst the leaders{ }
ii). Decreased the ability of leaders to inspire others { }
iii). Decreased the ability of leaders to foster collaboration { }

20. In what other ways has the use of right combination of social skills leadership competencies influenced the performance of your organization?---------------------
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SECTION F: ORGANIZATION SIZE

21. How does the size of your corporation influence the relationship between leadership competencies and the performance of our corporation?
 a. Increased performance by 0-5% [ ]
 b. Increased performance by 6-10% [ ]
 c. Increased performance by more than10% [ ]

22. a) Please indicate the range of the number of employees in your corporation for the last five years.

Year	Below 200	Between 201 - 500	Between 501 - 1000	Above 1000
2011				
2012				
2013				
2014				

b). How does the number of employees in your organization affect profitability?

a. Increased performance by 0-5% [ ]
b. Increased performance by 6-10% [ ]
c. Increased performance by more than10% [ ]

23. a) Please indicate the value of total assets (in billions) in your corporation for the last five years.

Year	Below Kshs10billions	Between Kshs11 – 50billions	Between Kshs51 – 100 billions	Above Kshs100 billions
2010				
2011				
2012				
2013				
2014				

b). How does the value of total assets in your organization affect profitability?

i). Increased performance by 0-5% [ ]
ii). Increased performance by 6-10% [ ]
iii). Increased performance by more than10% [ ]

24. a) Please indicate the value of turnover (in billions) in your corporation for the last five years.

Year	**Below Kshs250millions**	**Between Kshs250 – 500millions**	**Between Kshs501 – 1000millions**	**Above Kshs 1billion**
2010				
2011				
2012				
2013				
2014				

b). How does the turnover in your organization affect profitability?

i). Increased performance by 0-5% [ ]
ii). Increased performance by 6-10% [ ]
iii). Increased performance by more than10% [ ]

SECTION G: ORGANIZATIONAL PERFORMANCE

This subsection is concerned with determining the organization performance of state owned corporation in Kenya.

DATA COLLECTION TEMPLATE FOR FINANCIAL INDICATORS

24. For each of the past 5 years, please indicate the range of the return on assets (ROA) of your state corporation.

Year	**Less than 2%**	**Between 2.1% - 5%**	**Between 5.1% - 7%**	**More than 7%**
2010				
2011				
2012				
2013				
2014				

25. For each of the past 5 years, please indicate the range of debt/equity ratio of your state corporation.

Year	**Less than 25%**	**Between 26% - 50%**	**Between 51% - 75%**	**More than 75%**
2010				
2011				
2012				
2013				
2014				

26. For each of the past 5 years, please indicate the range of the return on investment (ROI) of your state corporation.

Year	**Less than 5%**	**Between 6% - 10%**	**Between 11% - 15%**	**More than 15%**
2010				
2011				
2012				
2013				
2014				

NON FINANCIAL INDICATORS

27. a). Please indicate the range of performance contracting ranking in your organization for the past five years in the data collection template below.

Performance Contracting Ranking

Year	**Between number 1 – 7**	**Between number 8 - 15**	**Between number 16 - 25**	**Above number 25**
2010				
2011				
2012				
2013				
2014				

b). In what other ways has leadership competencies influenced performance contracting?

…………………………………………………………………………………………
…………………………………………………………………………………………
………………………………………………………..

Customer Satisfaction Index

28. a).Please indicate the range of customer satisfaction index in your organization for the past five years in the data collection template below.

Year	**Less than 50%**	**51% - 75%**	**Above 75%**
2010			
2011			
2012			
2013			
2014			

b). In what other ways has leadership competencies influenced customer satisfaction?

…………………………………………………………………………………………
…………………………………………………………………………………………
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Employee Satisfaction Index

29.a).Please indicate the range of employee satisfaction index in your organization for the past five years in the data collection template below.

Year	**Less than 50%**	**51% - 75%**	**Above 75%**
2010			
2011			
2012			
2013			
2014			

b). In what other ways has leadership competencies influenced employee satisfaction?

……………………………………………………………………………………………
……………………………………………………………………………………………

Environmental Sustainability Index

30. a). Please indicate the range of environmental sustainability index in your organization for the past five years in the data collection template below.

Year	**Less than 50%**	**51% - 75%**	**Above 75%**
2010			
2011			
2012			
2013			
2014			

b). In what other ways has leadership competencies influenced environmental sustainability?…………………………………………………………………………

…………………………………………………………………………………………

Appendix III: Theoretical Matrix

Theory	Author	Focus	Relevance
Trait Theory	Northouse (2007)	The theory attempted to identify specific physical, mental, and personality characteristics associated with leadership competencies success, and it relied on research that related various traits to certain success criteria.	This theory is relevant to this study since it elaborates on the characteristics of a good leader. For instance, the theory posits that the character of a leader is what determines whether he/she will be a good or a bad leader. This theory addresses Social-Management leadership competencies which is a variable in this study.
Agency Theory	Kiel & Nicholson (2003)	The theory is concerned with analyzing and resolving problems that occur in the relationship between principals (owners or shareholders) and their agents or top management. The theory rests on the assumption that the role of organizations is to maximize the wealth of their owners or shareholders.	This theory is relevant to this study since it addresses the aspect of problem solving and conflict management which form the basis Social-management leadership competencies.
Stewardship Theory	Donaldson & Preston (1995)	The theory holds that corporations are social entities that affect the welfare of many stakeholders where stakeholders are groups or individuals that interact with a firm and that affect or are affected by the achievement of the firm's objectives.	This theory is relevant to this study since it addresses the aspect of proper coexistence of the various stakeholders in an organization. The clearly depicts the aspect of social Management and social skills leadership competency which are variables in this study.
Internal Control Theory	Dr. William Glaser	This theory is based on the belief that all behavior is internally motivated. When management maintains a business environment that emphasizes an appropriate level of control consciousness, a company is likely to have an effective internal control system.	This theory is relevant to this study since it addresses the aspect of integrity which form the basis Social-management leadership competencies.

Appendix IV: Summary of Research Gaps

Study	Focus	Findings	Research Gaps	Focus of the Proposed Study
Achoch, Gakure and Waititu (2014)	Social-Management leadership competencies	Leaders who exhibit transformational qualities had a positive effect on employee commitment and organizational citizenship behavior.	Study did not discuss other variable such as Social Management leadership competencies, Leadership competencies and Social skills leadership competencies which also affect performance	Study will discuss other variables wholly. The study will focus on state corporations.
Zakaria and Taiwo (2013)	Leadership competencies	Team leaders' human skills and team Social evaluation significantly influence the Effective performance of the team	Study did not discuss other variable such as Social Management leadership competencies, Social-Management leadership competencies, and Social skills leadership competencies which also affect performance. The study used a descriptive research design	Study will discuss other variables wholly. The study will use a cross-sectional survey research design
Sabir, Iqbal, Rehman, Shah and Yameen (2012)	Social Managemen tleadership competencies	Corporate ethical value is the most important factor for Social Management leadership competencies and employee performance. So, the two variables (corporate ethical and Social Management leadership competencies) collectively proved a photogenic effect and augment the overall productivity of the employees.	Study did not discuss other variable such as Leadership competencies, Social-Management leadership competencies and Social skills leadership competencies which also affect performance. In addition, the study was conducted in Pakistan	Study will consider other variabes addressed in the study. The study will be conducted in Kenya
O'Reilly, Caldwell, Chatman, Lapiz and Social (2010)	Social skills leadership competency	It is only when leaders' effectiveness at different levels was considered in the aggregate, significant performance improvement occurred.	Study did not discuss other variable such as Leadership competencies, Social-Management leadership competencies and Social Management leadership competencies which also affect performance. In addition, the study was focused on large health care organization physicians	Study will consider other variabes addressed in the study. The study will focus on public corporations

Appendix V: List of Kenyan State Corporations

Purely Commercial State Corporation

No.	Name of State Corporation
1.	Agro-Chemical & Food Company
2.	Kenya Meat Commission
3.	Muhoroni Sugar company Ltd
4.	Nyayo Tea zones Development Corporation
5.	South Nyanza Sugar Company Ltd
6.	Chemilil Sugar Company Ltd
7.	Nzoia Sugar company Ltd
8.	Simlaw Seeds Kenya
9.	Simlaw Seeds Tanzania
10.	Simlaw Seeds Uganda
11.	Kenya National Trading Corporation (KNTC)
12.	Kenya Safari Lodges Ltd (Mombasa, Beach Hotel, Ngulia Lodge, Voi Lodge)
13.	Golf Hotel Kakamega
14.	Kabarnet Hotel Limited
15.	Mount Elgon
16.	Sunset Hotel Kisumu

17. Jomo Kenyatta Foundation
18. Kenyatta University Enterprise Limited
19. Kenya Literature Bureau (KBL)
20. Rivatex (East Africa) Ltd
21. School Equipment Production Units
22. University of Nairobi Enterprise Ltd
23. University Of Nairobi Press (UONP)
24. Development Bank of Kenya Ltd
25. Kenya Wine Agencies Ltd (KWAL)
26. KWA Holdings
27. New Kenya Co-operative Creameries
28. Yatta Vineyard Ltd
29. National Housing Ltd
30. Research development Unit Company Ltd
31. Consolidated Bank Of Kenya
32. Kenya National Assurance Co. (2001) Ltd
33. Kenya Reinsurance Corporation Ltd
34. Kenya National Shipping Line

State Corporation with Strategic Function

No	Name of State Corporations
1.	Kenya Animal Genetics Resource Centre
2.	Kenya Seed Company (KSC)
3.	Kenya Veterinary Vaccine Production Institute
4.	National Cereal & Produce Board (NCPB)
5.	Kenyatta International Conference Centre
6.	Geothermal Development Company (GDC)
7.	Kenya Electricity Generating Company (KENGEN)
8.	Kenya Electricity Transmission Company (KETRACO)
9.	Kenya Pipeline Company (KPC)
10.	Kenya power & Lightening Company (KPLC)
11.	National Oil Corporation of Kenya
12.	National Water Conservation & Pipeline Corporation
13.	Numerical Machining Company
14.	Kenya Broadcasting Corporation (KBC)
15.	Postal Corporation of Kenya
16.	Kenya Development Bank (After Merger of TFC,ICDC,KIE,IDB,AFC)
17.	Kenya EXIN Bank

18. Kenya Post Office Savings Bank

19. Kenya Airports Authority (KAA)

20. Kenya Ports Authority (KPA)

21. Kenya Railways Corporation

State Agencies - Executive Agencies

No.	Name of State Corporation
1.	Biashara Kenya (After Merging Small and Micro Enterprise Authority, Women Fund, Uwezo Fund & Youth Enterprise Development Authority)
2.	Internal Revenue Service (After transfer of customers department from KRA)
3.	Kenya Intellectual Property Service (After Merging with Kenya Copyright board, Kenya Industrial Property Institute and Anti-Counterfeit Agency)
4.	Kenya Investment Promotion Service (After merging with KTB,EPC, Brand Kenya Board and KenInvest)
5.	Konza Technopolis Authority.
6.	Bomas Of Kenya
7.	Water Service Trust Fund
8.	Leather Development Council
9.	Agricultural Development Corporation
10.	Anti-Female Genital Mutilation Board
11.	Constituency Development Fund
12.	Crops Development and Promotion Service (new)

13. Custom and Boarder Security Service (Successor to the Kenya Citizens and Foreign National Management Service)
14. Drought Management Authority
15. Export Processing Zone Authority (EPZA)
16. Financial Reporting Centre
17. Fisheries Development and Promotion Service (new)
18. Higher Education Loans Boards
19. Information Communication Technology Authority
20. Investor Compensation Fund Board
21. Kenya Academy of Sports
22. Kenya Accountants & Secretaries National Examination Board (KASNEB)
23. Kenya Deposits Protection Authority
24. Kenya Ferry Service Ltd (KFS)
25. Kenya Film Development Service
26. Kenya Institute of Curriculum Development
27. Kenya Law Reform Commission
28. Kenya Medical Supplies Authority
29. Kenya National Bureau of Statistics
30. Kenya National Examination Council (KNEC)

31. Kenya National Highway Authority (KeNHA)
32. Kenya National Innovation Agency
33. Kenya Ordnance Factories corporation
34. Kenya Road Board (KRB)
35. Kenya Trade Network Agency
36. Kenya Wildlife and Forestry Conservation Service
37. Kenyatta national Hospital
38. LAPSET Corridor Development Authority
39. Livestock Development and Promotion service (new)
40. Local Authorities Provident Fund
41. Moi Teaching and Referral Hospital
42. Nairobi Centre for International Arbitration
43. National Aids Control Council
44. National Cancer Institute Of Kenya
45. National Coordinating Agency for Population and Development
46. National Council for Law Reporting
47. National Council for people with Disabilities
48. National Hospital Insurance Fund

49. National Industrial Training Authority

50. National Irrigation Board

51. National Museums of Kenya

52. National Quality Control Laboratories

53. National Social security Fund Board of Trustees

54. National Youth Council

55. Nuclear Electricity Board

56. Policy holders Compensation Fund

57. Sports Kenya

58. Kenya Cultural Centre

59. Tourism Fund

60. Unclaimed Financial assets Authority

61. Water Resource Management Authority

62. National Campaign Against Drug Abuse Authority

State Agencies – Independent Regulatory Agencies

No Name of State Corporation

1. Agriculture, Fisheries and Food Authority

2. Commission for University Education

3. Communication Commission of Kenya
4. Competition Authority
5. Council for Legal Education
6. Energy Regulatory Commission
7. Health service Regulatory Authority
8. Kenya Bureau Of Standards (KBS)
9. Kenya Civil Aviation Authority (KCAA)
10. Kenya Film Regulatory Service
11. Kenya Maritime Authority
12. Kenya National Accreditation Service
13. Kenya Plant and Animal Health Inspectorate Service (After taking over function of National Biosafety Authority)
14. Livestock Regulatory Authority
15. National Commission for Science, Technology and Innovations
16. National Construction Authority
17. National Environmental Management Authority. (NEMA)
18. National Land Transport & Safety Authority
19. Public benefits Organization Regulatory Authority
20. Public Procurement Oversight Authority

21. Technical & Vocational & Training Authority.

22. Tourism Regulatory Authority

23. Water Service Regulatory Board

24. Financial Supervisory Council (After merge of Capital Markets Authority, Insurance Regulatory Authority, Retirement Benefits Authority & SACCO Societies Regulatory Authority)

25. Mining and Oil Regulatory Service

State Agencies – Research Institutions, Public Universities, Tertiary Education and Training Institutions

No	Name of State Corporation
1.	Bukura Agricultural College
2.	Chuka Universiry
3.	Cooperative University college
4.	Dedan Kimathi University
5.	Egerton University
6.	Embu University College
7.	Garissa University College
8.	Jaramogi Oginga Odinga University of Science and Technology
9.	Jomo Kenyatta University of Agriculture and Technology.
10.	Karatina University

11. Kenya Agriculture and Livestock Research Organization
12. Kenya Forestry Research Institute
13. Kenya industrial Research and Development Institute
14. Kenya Institute of Mass Communication
15. Kenya Institute of Public Policy Research & Analysis (KIPPRA)
16. Kenya Marine & Fisheries Research Institute
17. Kenya Medical Research Institute (KEMRI)
18. Kenya Medical Training College (KMTC)
19. Kenya Multi-Media University
20. Kenya School of Government
21. Kenya School of Law
22. Kenya Utalii College (KUC)
23. Kenya Water Institution
24. Kenyatta University
25. Kibabii University College
26. Kirinyaga University College
27. Kisii University
28. Laikipia University

29. Maasai Mara University
30. Machakos University College
31. Maseno University
32. Masinde Muliro University of Science & Technology
33. Meru University of Science & Tecnology
34. Moi University
35. Murang'a University College
36. National Crime Research Centre
37. Pwani University
38. Rongo University College
39. South Eastern Education Science & Technology Kenya University
40. Taita Taveta University College
41. Technical University Of Mombasa
42. The Technical University of Kenya
43. University of Eldoret
44. University Of Kabianga
45. University of Nairobi.

Source: Taskforce on Parastatal Reforms Report (2013)