

**INFLUENCE OF TRANSFORMATION LEADERSHIP
ON THE PERFORMANCE OF COMMERCIAL BANKS
IN KENYA**

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**Influence of Transformation Leadership on the Performance of
Commercial Banks in Kenya**

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the Degree of Doctor of Philosophy in Governance and Leadership
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DECLARATION

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

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DEDICATION

To my loving wife Damaris Onsongo and our children Ralph Nyakomitta, Rosa Nyakomitta, and Ryan Nyakomitta. You have been a source of my inspiration and strength. You have stood by me during the entire period of my studies. Your prayers have made me to excel in my studies and I would not have made it this far without your encouragement and support. It is for this reason that I dedicate this work to all of you. God bless you.

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LIST OF ABBREVIATIONS AND ACRONYMS

CBK	Central Bank of Kenya
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CRR	Cash Reserve Ratio
GDP	Gross Domestic Product
JKUAT	Jomo Kenyatta University for Agriculture and Technology
KBA	Kenya Bankers Association
KCB	Kenya Commercial Bank
KDIC	Kenya Deposit Insurance Corporation
KEPSA	Kenya Private Sector Alliance
NBFI	Non Bank Financial Institution
NBK	National Bank of Kenya
OCB	Organization Citizen Behaviour
OECD	Organization for Economic Co-operation and Development
R&D	Research and Development
ROE	Return on Equity
SACCO	Saving Credits and Cooperative Societies
SMEs	Small to medium-sized enterprises

SOCs

State Owned Enterprises

SPSS

Statistical Package for Social Sciences

OPERATIONAL DEFINITION OF TERMS

- Idealized Influence** Idealized influence is the process of viewing leaders as strong models who have high standards of moral and ethical conduct and provide a vision and a sense of mission to their followers (Northouse, 2013).
- Individualized Consideration** Individualized consideration refers to leaders who are supportive and create an environment in which they listen carefully to the individual needs of their followers (Elele & Fields, 2010).
- Inspirational Motivation** Inspirational motivation refers to leaders who communicate high expectations to followers, inspiring them to be committed and to be part of organizational objectives (Lussier & Achua, 2013).
- Intellectual Stimulation** Intellectual stimulation refers to leaders who cultivate an environment of creativity and innovativeness and challenge the status quo (Cheung & Wong, 2011).
- Organizational Culture** Organizational culture refers to patterns of shared values and beliefs over a long period of time that shapes and influences behavioral norms that provide a basis of problem solving in an organization which either hinders or enables an organization to meet its objectives (Robbins, 2012).
- Organizational Performance** is the extent to which the organization is achieving its goals and objectives. It is the ability of commercial banks to meet their set targets (Kaithen, 2012). It is measured in terms of transaction volume, profitability and market share.

Transformational Leadership Transformational leadership is the process where a leader's behavior increases the level of motivation and morality in both the leader and the follower. This type of a leader is considerate and motivates followers to reach their fullest potential (Bass & Avolio, 2013).

ABSTRACT

The purpose of the study was to examine the influence of transformation leadership on the performance of commercial banks in Kenya. Specifically, the study sought; to determine the effect of idealized influence on the performance of commercial banks in Kenya; to establish the influence of inspirational motivation on the performance of commercial banks in Kenya; to examine the influence of intellectual stimulation of on the performance of commercial banks in Kenya; to explore the influence of individualized consideration on the performance of commercial banks in Kenya; and to assess the moderating effect of organization culture on the relationship between transformational leadership style and performance of commercial banks in Kenya. The study was informed by the transformational leadership theory, charismatic theory, hierarchy of need theory, competency theory, self-interest theory, Schein's theory of organizational culture and shareholders' wealth maximization theory. It employed mixed research design, which included both qualitative and quantitative methods. The study target population was all tier 1 commercial banks in Kenya. According to CBK, there are seven tier 1 banks namely; Kenya Commercial Bank, Equity Bank, Cooperative Bank, Standard Chartered Bank, Barclays Bank, Diamond Trust Bank and Commercial Bank of Africa. The choice of tier 1 banks as the unit of observation was justifiable since they contribute to over 50% of all banking employees, and therefore, they form a good ground for random stratification. The study covered a target population of 24,244 employees working in the seven banks. A sample size of 384 was selected from all the seven banks using stratified random sampling. Primary data was collected using well-structured questionnaires. Descriptive and inferential analyses were used to analyze the data. The study findings revealed that idealized influence and performance of commercial banks are positively and significantly related ($r=0.189$, $p=0.003$), inspirational motivation and performance of commercial banks are positively and significantly related ($r=0.527$, $p=0.000$), intellectual stimulation and performance of commercial banks are positively and significantly related ($r=0.217$, $p=0.000$), and that individual consideration and performance of commercial banks are positively and significantly related ($r=0.363$, $p=0.001$). Results also showed that organization culture had a significant moderating effect on the relationship between transformation leadership and performance of commercial banks in Kenya ($p=0.000$). From the findings, the study concluded that transformation leadership dimensions had a positive and significant influence on the performance of commercial banks in Kenya. Further, the study concluded that organization culture had a significant moderating effect on the relationship between transformation leadership and performance of commercial banks in Kenya. From the findings, the study recommended that the banks' leadership should consider applying the behaviors associated with idealized influence including articulation of the organization's goals, role modeling and goal setting in promoting positive behaviors among employees that lead to performance improvement, should encourage managers and employees to apply behaviors associated with inspirational motivation to improve performance of organizations, should intellectually stimulate senior managers through challenging their assumptions, encouraging risk taking and promoting innovation, and should apply behaviors associated with individualized consideration including empowering, coaching and supporting career development of senior managers as strategies to improve the organization performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizational performance is the ability in producing something related to desired targets (Kaithen, 2012). Performance is work results achieved by someone or a group of people in an organization, in accordance with their respective authority and responsibility to reach the organizational goal legally, without breaking laws, and in accordance with moral and ethics (Prawirosentono, 2010). Organizational performance involves transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness) (Chen, Barnes, 2006). The study focused on organizational performance of commercial banks as influenced by transformation leadership.

Leadership drives organization performance (Jestaz, 2014). Deloitte's 2015 Global Human Capital Trends report, one of the largest longitudinal studies of talent, leadership, and human resource challenges and readiness around the world, observed that a focus on leadership is the key to building sustainable organization performance. Further, Yukl (2012) argued that effective leadership is a consequence of leadership style and behavior that results in the achievement of desired organizational outcomes. Previous leadership research focused on leadership style as the key to why leaders of some organizations successfully execute strategies that lead to excellent business results while others fail to translate strategic intent into desired outcomes (Lee & Hee, 2016). The influence of leadership style on organizational performance has been a subject of attention among academics and practitioners in the area of leadership. This interest has been triggered by research studies that have demonstrated that leadership style significantly affects performance in organizations (Jing & Avery, 2016). In understanding the link between leadership and performance, various leadership styles and models have been applied to explain the influence of different leadership behaviors in organizations (Northouse, 2013).

Transformational leadership is one of the leadership styles widely researched on, due to its positive link to a wide variety of organization performance outcomes (Ding, Li, Zhang, Sheng, & Wang, 2017). It has been linked to positive changes in followers where leaders motivate, empowers and inspires them to pursue a collective vision and believe in their own potential, causing them to perform beyond their expectations (Northouse, 2013). This type of leadership style enables organizations to remain focused and deliver on its overall vision, mission and performance targets. When a leader applies behaviors associated with transformational leadership style, they provide clarity of vision and align employee goals, values and priorities to the vision with the aim of boosting their trust and confidence and thus enabling them to increase commitment and performance (Ullah, 2013).

Bass and Avolio (2013) posit that transformational leadership is a collective process where subordinates work to realize the vision into reality. In other words, transformational process can be seen through a number of transformational leadership behaviors such as: attributed idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Avolio, 2013). Idealized influence is the charismatic behavior that inspires followers to trust and identify with their leader and their mission. Inspirational motivation is the ability to articulate shared goals and a clear, compelling vision that arouses followers and promotes positive expectations. Intellectual stimulation is the capacity to challenge followers to question assumptions, take risks, think critically, and identify and solve problems proactively. Individualized consideration is the extent to which leaders identify, understand, and address followers' developmental needs and treat them uniquely. The additive effect of these four dimensions leads to performance beyond expectations (Bass & Avolio, 2013).

Butler (2009), states that a transformational leader encourages subordinates to have vision, mission and organization goals, encouraging and motivating to show maximum performance, stimulates subordinates to act critically and to solve problems in new ways and treat employees individually. Suharto (2015) suggests that more frequent transformational leadership behaviors implemented will bring significant positive effect to improve psychological empowerment quality of

subordinates. Transformational leader that gives attention to individual will be capable to direct vision and mission of organization, providing motivational support, and creating new ways to work effectively. Further, Yukl (2007), states that application of transformational leadership style can improve performance because transformational leadership style wants to develop knowledge and employees' potential. A leader with transformational leadership provides opportunity and confidence to his subordinates to carry out duties in accordance with his mindset to achieve organizational goals.

1.1.1 Global Perspective of Transformation Leadership

Transformational leadership theory has caught the eye of many people lately especially managers and senior staff in organizations due to its perceived impact on performance. A transformational leader is capable of transforming followers' thinking in such a way that they adopt the vision of the organization like the vision is theirs. As a development tool, transformational leadership has widely spread across all sectors of western societies, including governmental organizations. As noted by Onorato (2013), in the United States of America, education sector with the addition of charter school choice and new local laws, fueled by the federal government's race to the top incentive model, educational leaders are now faced with leadership evaluations that assesses the accountability of overall performance of educational leaders. For example, New York State is currently assessing teacher-principal performance evaluations to qualify for federal grants in order to improve the quality of leadership and student performance in the classroom.

In addition, with the increasing demand for accountability and performance, school leaders are now faced with the same managerial responsibilities practiced by business managers as well as leaders in the private sector. Some of these roles involve staff management, financial management, strategic management as well as the necessitation of collaboration with external stakeholders such as parents, unions, community outreach groups, and also political constituents (Chen & Phillips, 2012). According to the Government's BLS statistical report, the education industry can be considered the country's second largest industry, accounting for about 13.5 million

jobs in 2008 estimated to be valued between \$630 billion to \$680 billion. So leadership in this industry is highly regarded as an embodiment of teachers who only focus students' assessment. Top managers in many organizations play vital roles to interact with their followers for organizational transformation and innovation. This emphasis has been evident over the last twenty years where more adaptive leadership styles respond to the rapid changes in which corporate CEOs are confronted. Jung et al. (2008) also underscore a positive relationship between a CEO's transformational leadership style and organizational innovation.

In India, Raja and Palanichamy (2012) investigated the preferred leadership style on organizational commitment among engineers in Bharat Heavy Electricals Limited. The study found that transformational leadership was the preferred leadership style as it enhanced organizational commitment among engineers in the Bharat Heavy Electricals Limited, in India. Lee (2008) found similar results in his study on the behavioral and relational aspect of leadership and employee organizational commitment among research and development professionals in manufacturing firms in Singapore.

In extrapolation of the concept, Zhang (2015) acknowledges that when leadership behaviors are directed toward the top management as a whole, there is a beneficial impact on their effectiveness. The study also noted the need to extend the research on the effect of leadership behaviors on top management teams, to other directions such as performance. He observed that the effects of management leadership behaviors are more significant for senior managers, given the direct impact that they have on organizational success. Drawing on the principles of upper echelons theory, the study revealed that transformational leadership that is focused evenly on every senior manager in the top management, increased effectiveness and organizational performance.

A few studies have dealt with leadership in Japanese research and development (R&D) settings, although leadership is one of the most important factors that influence team performance. According to Ishikawa and Xu (2015) there exists a relationship between transformational leadership and R&D in Japanese companies.

In Japanese companies, ambiguous and highly contextual behaviors such as *nemawashi* exist for the purpose such as of acquiring resources and removing obstacles. Leaders may have influence over their subordinates by using informal human networks or by making their team members somehow owe them something for a substantial period of time. Thus, R&D team leaders are encouraged to act in a way that helps optimize team performance. This type of leadership may also be effective in Western companies, although to a different degree. If such leadership is induced to explicit construct, it will contribute to research in Western setting. In short, it is possible that in non-Western settings there are some tacit constructs that are worth studying for future leadership.

Rassol (2015) examined leadership styles and its impact on employee's performance in health sector of Pakistan. The study concluded that transformational leadership styles have a positive effect on employee performance. Further, they found out that transformational leadership can perform better in highly organic environment where focus is on competitive advantages. Further, Raja and Palanichamy (2012) examined the effect of transformational leadership styles on employee performance in public vs. private sector enterprises in India. From 43 middle-level managers and 156 subordinates, the study results indicated sufficient evidence, at the 5% level of significance, that there is a linear positive relationship between transformational leadership and employee performance.

From a practical perspective, Cavazotte, Moreno and Bernardo (2013) suggested that developing transformational capabilities seems to be worth the effort for those who wish to take part in leadership roles, as well as those who want to sponsor leadership development programs. Given that even charisma, once understood as a stable trait, seems to be possible to develop and that transformational leadership training has been shown to be valuable to individuals in distinct organizational levels. The findings encourage the expansion of teaching and training agendas that include transformational development strategies in Brazil. In addition, the connections observed offers initial support for the inclusion of transformational leader assessments in recruitment, selection and promotion processes as criteria that can help identify potential for leadership.

In addition, by quoting Walumbwa, Avolio and Zhu (2008), Cavazotte, Moreno and Bernardo (2013) posited somewhat similar processes, by focusing on the role of the team, and only subjective measures of formal performance. It was identified that the strength of the relationship between transformational leadership and self-efficacy observed was worth noting. In mentioning, Walumbwa, Avolio and Zhu (2008) acknowledged that Transformational leadership in USA substantially encouraged employees, just as the case in India and China. This suggests that India employees react to transformational leaders in ways more akin to individuals from developed countries rather than those in traditional or transitional societies.

1.1.2 Regional Perspective of Transformation Leadership

Studies conducted on transformational leadership in Africa reveal that the leadership style impacts followers' performance positively. A study by Ejere and Abasilim (2013) in Ethiopia established that transformational leadership style impacts organization performance positively. Similarly, in Ghana, Boateng (2014) observed that transformational leadership characteristics that were measured through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration had a positive impact on the performance of a university.

Leadership has been one of Nigeria's challenges as a developing nation. Transformational leadership is crucial to realization of any huge step taken in pursuit of development and good governance (Igbokwe-Ibeto, 2013). Most Nigerians are of the view that positive leadership remains elusive in the country especially since the 1966 military incursion into politics to the present democratic dispensation. Nigeria has experienced rot in the education sector, climaxing in a tertiary education level that has parents sending kids and relations abroad to access better and quality university education. This rot is most severe at the university level, however, rehabilitation efforts are beginning to yield positive results in polytechnics, secondary schools and primary schools (Adenle, 2011). This phenomenon can be attributed to poor political leadership.

Another look at Nigeria by Munirat and Nzelibe (2012) established that application of transformational leadership style in management and executive positions

facilitates corporate transformation. Results from banking sector study in Ghana held that a leader's transformational leadership behaviors measured through idealized influence, intellectual stimulation, individualized consideration and inspirational motivation are likely to provide the structure in their followers for learning to take place. The followers, therefore, exert extra effort and engage in learning behaviors, such as seeking help, experimentation, discussion of mistakes and the willingness to take interpersonal risk, which in turn, facilitates performance improvement (Kumako & Asumeng, 2013).

In South Africa, Hayward, Davidson, Pascoe, Tasker, Amos and Pearse (2003) found transformation leadership to be more effective than transactional leadership in increasing employee performance. The researchers found a significant positive linear relationship between transformational leadership and employee performance but no significant linear relationship between transactional leadership and employee performance in a South African pharmaceutical organization. Evidence drawn by Mclaggan, Botha and Bezuidenhout (2013) indicated that supervisors who adopt transformational leadership style, and show interest and value their subordinates make the employees feel important, hence more effective commitment towards their organization. Such employees will then feel that they are an important asset of the organization and this, in turn, will increase their commitment to the organization and willingness to stay longer with the organization. In addition, they will also feel that their efforts are being recognized. This, in turn, may trigger a chain reaction of the employees working more productively because they know that their hard work will pay off. This shows that transformational leadership has a positive correlation with employee workforce commitment in South African (Avolio, 2004).

The telecommunication industry has also been receptive of the idea about transformational leaders who perceive strategic goals for the organization. It is argued that transformational leaders are more sensitive to their environment and thus formulate and disseminate strategic goals that capture both the attention and the interest of their followers. On one hand, managers who have a transformational leadership style will focus on the big picture of the organization and try to encourage the employees to have the same mindset (Berson & Avolio, 2004). Likewise,

transactional leaders will guide or motivate their followers in the direction of established goals by clarifying role and task requirements. It places greater emphasis on work standards, assignments and task-oriented goals compared with transformational leaders. Managers with transactional leadership style would want to be more incentive driven to motivate their employees. As human resource managers are well educated in terms of organizational behaviour, as compared with many technical line managers (say in a mining context), it is important that these findings be unpacked and that the line managers are informed and guided in terms of their own leadership styles (Northouse, 2010).

Like in many other countries in sub-Saharan Africa, Uganda is trying to implement structural and institutional reforms in order to decentralize the political authority in local governments. Uganda like many other developing countries in Africa is faced with challenges of rapid urbanization, poor service delivery and governance. Despite these challenges, some leaders within the public sector are determined to make a success out of the problems. These leaders are propagating a culture of transparency and accountability as a way of improving service delivery in their respective organizations. Kafumbe (2017) indicated that in Kampala city today, the biggest challenge for authorities is the provision of services such as public health, education, roads, security, reducing inequality, and leveraging opportunities in the global economy to create better livelihoods for the swelling urban population. Delivering services in a city that is urbanizing in a developing country like Uganda requires transformational leadership that improves performance.

Nuhu (2010) who sought to study the effect of leadership styles on employee performance in Kampala City Council revealed that laissez faire leadership was practiced in higher and lower offices. The study, however, found that authoritative leadership style had a positive relationship with employee performance; most employees believed that authoritative leadership brought about performance the autocratic way (coerced), yet other forms of leadership would approach the employee from a more humanistic manner. Further, Rao (2015) in his research on leadership styles and their impact on job outcomes in Ethiopian banking industry, found that transformational leadership style explained the variation on performance better than

transactional leadership style. Hence, the researchers recommended that if banks under study emphasized more on transformational leadership style dimensions, it would enable them to better satisfy and hence gain more output from their employees.

ElKordy (2013) in his study established that transformational leadership is significantly used in both public and private institutions in Egypt. The study targeted executives enrolled in the executive Masters of Business Administration (MBA) program of the faculty of commerce in Alexandria University. Respondents were all from private sector organizations including information technology, education, manufacturing, pharmaceuticals, business services and financial services. The Egyptian executives rated transformational leadership positively as reflected in higher levels of satisfaction and commitment. The author recommended new directions in leadership research focusing on studying the perceptions of transformational leadership of the organization's CEO, rather than the immediate leader, to shed more light on how leadership shapes followers' satisfaction, commitment and performance. Mohamad (2012) also established that transformational leadership was significantly correlated with both job satisfaction and organizational commitment. Both studies imply that Egyptian employees respond positively to transformational leaders by developing strong attitude towards their job and organization.

1.1.3 Local Perspective of Transformation Leadership

Transformational leadership has been very instrumental in Kenya. The Kenyan government has effected policies and Vision 2030 to promote transformational leadership, where senior public servants have been constantly trained to apply this form of leadership for an added competitive advantage. Due to the turbulent forces of globalization, liberalization, privatization, and technology as well as increased competitiveness, corporations have had to apply key innovative strategies in order to stay relevant and for them to compete on a global platform (Mahapatro, 2010).

Transformational leadership has thus been an area to focus on. Transformative leadership contributes to competent human capital which is the real asset for any

organization, and this makes the human resource management role important in recruiting, managing, and retaining the best. The human resource department has a clear role in this process and determines the success tempo of any organization. An urgent priority for most of the organizations is to have innovative and competent human resource pool; sound in management practices with strong business knowledge. Through transformative human resource managers' role, competent employees enhance their intellectual competencies leading to sound intellectual stimulation which impacts on organizational performance positively (Verkijika, 2017).

For instance, transformational leadership has been a strong pivotal role player in the education system. As per Waithiegni (2013), the KCSE performance in Kenya greatly depends on various factors which vary from one school to another depending on the dynamics, which the schools are exposed to when preparing students for examinations. Leadership falls into this category as one of the key factors. This implies that it is very necessary to have in place good management and leadership style for improved performance in schools.

Nyaboga (2011) concurs with this observation, that good performance in schools is relatively equivalent to good administration. By quoting Eshiwani (1983), Nyaboga emphasizes on leadership being a critical factor in the transformation of school activities and in particular academic achievement and thus impacting on the success of a given nation. Uwezo (2013) underscores that despite using a variety of aspects to determine students' academic achievement at the secondary schools' level in Kenya, academic performance still carries more weight because the Kenyan education system is more of academic oriented instead of considering other aspects that are more practical. The Kenya vision 2030 along this line has placed great emphasis on the link between education and production of competitive social capital in both national and world market (Republic of Kenya (GOK, 2016). Hence the Kenyan Government acknowledged education as one of the most important levers that build up the assets of a nation to a competitive level thereby transforming Kenya into a newly industrialized middle income country that provides quality life to all citizens by year 2030 and beyond. Ministry of Education (MoE, 2014) emphasizes that; leadership is

the most important aspects of management and contributes immensely to the general well-being of organizations and nation's success (Muia, 2018).

In the case of parastatals in Kenya, Mathenge (2013) provides sentiments on the poor performing State Owned Corporations (SOCS) in Kenya and attributed the poor performance to poor management practices. These problems include leadership, corruption, nepotism, and mismanagement as well as the unfair treatment of the public beneficiaries. Since the 1990s, Kenyan government has been implementing reforms within state owned corporations with the aim of reversing their bad record. In 2003, in particular, the government revealed its economic recovery blueprint for wealth and employment generation in which it reiterated the methods for turning around these public bodies with specific focus on governance.

Despite these changes and limiting procedures, these SOCs in Kenya have still had challenges, for example, the undefined goals and strategies, fraudulent transactions by directors/employees, conflict of interest, and lack of good leadership qualities and techniques. Since leaders can encourage or discourage performance, it is important that they have the kind of abilities/skills to control performance of their followers onto a development direction. Issues influencing the performance of state enterprises can be mediated by leaders with right administration practices that can achieve organization's objectives. Kabiru, Theuri, and Misiko, (2018) explored how leaders can influence hierarchical execution and found that effective leadership is key factor in performance of SOCs.

The history of the banking sector in Kenya is characterized by success but dotted with a few failures. Some scholars have attributed this success to undue influence (Akotch & Munyoki, 2016), given that there has been little competition from alternative sectors whilst others attribute it to good leadership. Transformational leadership style contributes to the element of employee job satisfaction and commitment to the organization and thus leadership is considered a prerequisite to job satisfaction (Patiar & Wang, 2016; Kowang & Heng, 2014). Since banks play a crucial role in our economy; they act as the lifeline of modern trade and commerce by providing finance and payments infrastructure. In economic development, they

also support development of new businesses thereby creating the employment opportunities whilst catalyzing economic growth (Akotch & Munyoki, 2016).

Bundi, Lewa and Ndwiga (2016) note that transformational leadership practices of the top managers of Kenya's state owned enterprises, influence work stress that could ultimately affect performance of their organizations. Transformational leadership style has also shown positive performance among school principals (Kaburia, 2013), performance of secondary schools (Muthike, 2014) and universities (Mbithi, K'Obonyo, & Awino, 2014) as well as improving academic staff retention in public universities in Kenya (Ng'ethe, Namusonge, & Iravo, 2012). A study to investigate the effect of transformational leadership on the performance of staff targeting commercial state owned enterprises, established that idealized influence, inspirational motivation, intellectual stimulation and individualized consideration of the leaders, positively influences organization culture and performance (Ngaithe, K'Aol, Lewa, & Ndwiga, 2016). In the private sector, Juma and Ndisya (2016) established that transformational leadership has a positive effect on employee performance in a study that targeted Safaricom employees. The target respondents for this study were line managers, support staff, quality analysts and customer care representatives.

The banking system in Kenya is currently increasingly being driven by the market rather than being supply-driven and they are finding new ways to target and access the customers. Such mechanisms as the agency banking, ATMs, M-banking including the use of M-Pesa services, online banking have been the innovative strategies to help banks identify needs of their customers and be able to reach out to bridge the gap. Financial institutions are in the process of executing unprecedented reconfiguration of the banking industry and the financial services industry is changing rapidly (Kenya Banking Charter 2019). Technology, government regulation, and increasing customer sophistication are forcing financial service institutions to re-evaluate their current business practices. This is an indication of the transformative nature of the leadership and the management of the financial institutions that have been instrumental in their competitiveness (Verkijika, 2017).

Transformational leadership has also been found to positively affect organizations that face challenges in Kenya. To address challenges that have faced Kenyan universities over the last ten years, Mbithi (2016) argue that if universities applied transformational leadership, they would be able to motivate and empower employees to improve their outcomes, which in turn would lead to better organization performance. The study focused on how transformational leadership style applied by universities' top leadership improved employee outcomes. The authors recommended that the findings of the study be applied to the leadership of organizations in the formulation of strategies for improving performance.

A study by Njehu (2012) on the impact of transformational leadership on East African Breweries Limited's competitive edge targeting 231 staff, established that behaviors of transformational leaders are applied in the organization to achieve sustainable advantage. A case study exploring the role of transformational leadership on organizational performance in National Bank of Kenya (NBK) concluded that three transformational leadership dimensions had a positive and significant influence on the bank's organizational performance (Deigha, 2016). The study found that inspirational motivation had the most significant influence on the performance of the bank with individualized consideration and intellectual stimulation having a similar influence as well. However, the study left out one of the dimensions of transformational leadership, idealized influence, from the study variables. Since senior managers greatly influence performance of organizations, there is need to identify specific transformational leadership behaviors that enhance their performance.

1.1.4 The Commercial Banking Sector in Kenya

The Banking sector in Kenya is governed by the CBK Act, the Companies Act, the Banking Act and several prudential strategies provided by the CBK. Banks are dominant players in the Kenyan economy (contributing about 12% of GDP). There are 43 licensed commercial banks and 1 mortgage finance company in Kenya, out of which, 31 are locally owned and 13 are foreign owned. The locally owned financial institutions comprise 3 banks with significant shareholding by the Government and

State Corporations, 27 private commercial banks and 1 mortgage finance institution. Out of the 43 banks, the top 10 banks control 80% of the total assets of the industry leaving a paltry 20% market share to the 33 banks (CBK, 2016). This is an indication of dominance by few industry players and the stiff competition that exists at the bottom end of the pyramid.

Commercial Banks and Mortgage Finance Institutions are licensed and regulated pursuant to the provisions of the Banking Act and the Regulations and Prudential Guidelines issued by the Central Bank of Kenya (Irungu, 2011). The total assets held by all banks as at December 2015, stood at Shs.3.4 trillion, with aggregate profitability of Shs.135 billion. According to CBK Report of 2016, the numbers of account holders are in excess of 25 million customers. At a global stage, the Kenyan Banking sector is one of the most competitive in the emerging markets; having a well-capitalized base, high return on equity, and lower provision for bad debt.

1.1.5 Performance of Commercial Banks in Kenya

The commercial banks in Kenya are going through massive transformation to cope with the constantly changing and disruptive business environment. The recent law on interest rate cap, increasing domestic and global competition, economic downturn, rapidly changing market trends, and volatile financial markets has all added to the pressure on banks to come up with leadership and governance responses to survive and succeed. Furthermore, the recent global financial crisis revealed many governance failures and conflicts of interest at financial institutions, including weaknesses in the exercise of ownership responsibilities by asset owners and managers which poses a threat to the sector (Kenya Bankers Association [KBA], 2018). In addition, there is also the emergence of stringent global guidelines around money laundering and financing of terrorism which the local banks are struggling to implement. However, the Kenyan banking sector has been expanding its branch network amidst introduction of branchless banking system.

The annual reports by the CBK clearly indicate that, branch network has been expanding since 2002. By the end of December 2015, Kenyan banks had a total branch network of 1480, as compared to 486 branches in the period ended December

2002 (CBK, 2014). The growth of branches are also complemented by the rapid rise of alternatives channels, including Agent banking (currently in excess of 20,000 bank Agents countrywide), electronic financial products through mobile phones and personal computers and growth of Saving Credits and Cooperative Societies (SACCOs) and microfinance institutions. The expansion could be attributed to adoption of effective transformation leadership culture by some commercial banks such Equity Bank (CBK, 2018).

However, other commercial banks such as imperial bank, chase bank, and Dubai Bank of Kenya have not been performing well. In fact, the three banks collapsed and were placed under receivership by the CBK. Additionally, a declining trend in the financial performance of commercial banks was indicated in the CBK (2018) report. The ROE of these banks was 29.8 percent from the trend as of 2012, which declined to 28.9 percent in 2013. In addition, the fall extended to 26.6 percent in 2014, 25.2 percent in 2015 and a further decrease in 2016 to 24.5 percent. This indicates a stagnating growth in ROE, indicating the commercial banks' persistent poor results. The study sought to determine the role of transformation leadership in influencing the performance of commercial banks in Kenya.

1.2 Statement of the Problem

Kenya's banking sector has exhibited resilience and agility over the last 20 years. This has contributed to growth and favorable economic stability of the country. Banks are the main component of financial services sector in ensuring favorable economic stability and growth (Koch & McDonald, 2013). However, the recent collapse of three commercial banks in Kenya; Chase bank, Dubai bank and Imperial bank shows that there is a leadership gap (CBK, 2016). The collapse can be attributed to managers' poor leadership, poor assessment of bank risks or failure to deal with the risks properly. As such, the stockholders, creditors, depositors, and other stakeholders have had to incur huge financial losses following the collapse of the banks. In August 2015, Dubai Bank Kenya Limited was placed under receivership by the Central Bank of Kenya (CBK) who then appointed Kenya Deposit Insurance Cooperation (KDIC) as the Receiver. As reported by the CBK, the

main challenges leading to the collapse of the Dubai bank was capital deficiencies and poor leadership. The bank had been breaching its daily cash reserve ratio (CRR) requirement of 5.25 per cent (CBK, 2016). Furthermore, the bank had failed to honor some of its financial obligations, such as paying off KES 48 million which it owed to the Bank of Africa Kenya.

In October 2015 the CBK put Imperial Bank under statutory management due to unsafe, unsound business conditions and poor governance. At the time Imperial Bank was taken over by KDIC the bank had about 53,000 customers with deposit estimated at KES 58 billion. On June 21, 2016, NIC Bank was appointed as asset and liabilities consultant for Imperial Bank (in receivership) by the Central Bank of Kenya. The major causes for placement were associated with failure to meet the statutory banking ratios and under-reporting of insider loans. The main challenge with Chase Bank was management and leadership problem. The bank granted large loan amounts to its directors of about KES 13.62 billion in violation of insider lending guidelines. The insider loans stood at KES 13.62 billion compared to the KES 5.72 billion it reported. The collapse of the above mentioned banks is an indication that there is performance problem in the banking sector, which can spell doom to the entire economy. Moreover, a declining trend in the financial performance of commercial banks was indicated in the CBK (2018) report. The ROE of these banks was 29.8 percent from the trend as of 2012, which declined to 28.9 percent in 2013. In addition, the fall extended to 26.6 percent in 2014, 25.2 percent in 2015 and a further decrease in 2016 to 24.5 percent. This indicates a stagnating growth in ROE, indicating the commercial banks' persistent poor results.

Several studies have been conducted relating to transformational leadership style. Kimeto (2017) sought to establish the influence of inspirational motivation and intellectual stimulation on organizational commitment in commercial banks in Kenya. The study findings indicated that inspirational motivation and intellectual stimulation significantly predicted organizational commitment. Nyokabi (2017) sought to determine the effect of idealized influence and inspirational motivation of the Chief Executive Officer (CEO) on the performance of senior managers in the private sector in Kenya. The study findings revealed that the CEO's idealized

influence and inspiration motivation significantly predicted performance of senior managers. Ayacko (2017) investigated how organization structure moderates the influence of individualized consideration of judicial officers on the performance of judicial staff in Kenya. The study found that individualized consideration of judicial officers significantly influenced the performance of judicial staff, both with and without the moderation of organization structure. The studies reviewed above did not focus on the role of transformation leadership in influencing the performance of tier one commercial banks in Kenya. It is on this premise that the current study sought to fill this research gap by determining the influence of transformation leadership on the performance of commercial banks in Kenya.

1.3 Objectives of the Study

The study objectives are classified into: general objective and specific objectives.

1.3.1 General Objective

The general objective of the study was to examine the influence of transformation leadership on the performance of commercial banks in Kenya

1.3.2 Specific Objectives

The specific objectives of the study were:

1. To determine the effect of idealized influence on the performance of commercial banks in Kenya.
2. To establish the influence of inspirational motivation on the performance of commercial banks in Kenya.
3. To analyze the influence of intellectual stimulation of on the performance of commercial banks in Kenya
4. To explore the influence of individualized consideration on the performance of commercial banks in Kenya.
5. To assess the moderating influence of organization culture on the relationship between transformation leadership and performance of commercial banks in Kenya.

1.4 Research Hypotheses

H₀₁: Idealized influence does not have a significant effect on the performance of commercial banks in Kenya.

H₀₂: Inspirational motivation does not have a significant influence on the performance of commercial banks in Kenya.

H₀₃: Intellectual stimulation does not have a significant influence on the performance of commercial banks in Kenya.

H₀₄: Individualized consideration does not have a significant influence on the performance of commercial banks in Kenya.

H₀₅: Organization culture does not have a significant moderating influence on the relationship between transformation leadership and performance of commercial banks.

1.5 Significance of the Study

The study is beneficial to the following categories of stakeholders:

1.5.1 Board and Shareholders

The study findings are useful to boards and shareholders in developing broad vision guidelines on how to inculcate transformation leadership culture in banks in order to enhance productivity and profitability. The presence of transformation leadership culture greatly influences how managers and employees conduct themselves. The ability of managers and employees to adopt to a set transformation leadership culture translates into improved productivity and performance and hence, shareholders benefit from increased returns.

1.5.2 Management and Staff

The management shall use this report to broaden their approach to transformation leadership, talent search, revamp human resource management capacity, and to

realign strategic business objectives in tandem with the available human capital. Further, the findings are useful to policy makers in designing policies that promote responsible transformation leadership for performance. In addition, transformation leadership make managers and staff better employers and employees. The two parties are able to know how to treat each other and to perform their duties effectively.

1.5.3 Bank Customers

The bank customers will benefit from increased market stability, better returns on investments and improved pricing of facilities granted by the banks due to increased leadership efficiencies. Transformation leadership leads to stable markets and hence desirable returns on investments. Therefore, customers/investors are confident about the bank's ability to safeguard their savings and investments. Effective transformation leadership also results to favorable lending terms by the bank. Thus, customers are able to access financial services at favorable rates.

1.5.4 Researchers and Scholars

Since there is little data available on the research topic; this study enhances and accelerates research in this area, thereby generating new knowledge. The study also contributes to scientific knowledge of the influence of transformation leadership on the performance of Kenyan Banks by offering new perspectives and insights; which is useful to researchers and scholars. Furthermore, since the study is published; it will be easily accessible, and save time and money for researchers and scholars in the field (Ghauri, 2005).

1.6 Scope of the Study

The study examined the influence of transformation leadership on the performance of commercial banks in Kenya. Specifically, the study covered four aspects of transformation leadership: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. It was confined to tier 1 banks as the study target population. The choice of tier 1 banks as the unit of analysis was justifiable since they contributed to over 50% of all banking employees, and

therefore, they formed a good ground for random stratification. There are seven commercial banks comprising tier 1 namely; Kenya Commercial Bank, Equity Bank, Cooperative Bank, Standard Chartered Bank, Barclays Bank, Diamond Trust Bank and Commercial Bank of Africa. The study covered a target population of 24,244 employees working in the seven banks. A sample size of 384 was selected from all the seven banks. The study period was from year 2017 to 2021.

1.7 Limitations of the Study

One of the challenges that the researcher encountered during the study period was hesitation by some respondents to provide information. However, the researcher mitigated this limitation by presenting an introduction letter obtained from the university to the respective banks management to avoid suspicion and enable the respondents to answer the questions. Furthermore, the respondents were assured of confidentiality and anonymity.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter reviews literature on the underlying model of the study; transformation leadership, and its influence on the organization performance. The theoretical framework is also discussed. The chapter also presents the conceptual framework of the study and an empirical literature review in line with the study objectives.

2.2 Theoretical Framework

According to Creswell (2014) a theory is a proposed explanation for the relationship amongst variables being tested in a study. The study is anchored on several theories that support the variables. These are; the transformational leadership theory, charismatic theory, hierarchy of need theory, competency theory, self-interest theory, Schein's theory of organizational culture and shareholders' wealth maximization theory. A discussion of the theories is provided below.

2.2.1 The Transformational Leadership Theory

Burns (1978) first introduced the concept of transformational leadership in his research on political leaders and the main principle in this theory is the processes in which the leaders and the subjects help each other advance to a higher level of morale and motivation. Bass (1985) argued that transformational leaders are leaders who facilitate their follower's confidence that results to performance beyond expectations. Bass and Avolio (1994) described transformational leaders as those who have the following characteristics; idealized influence, inspirational motivation, intellectual stimulation and individualized consideration.

Burns (1978) viewed idealized influence as a leader's ability to be charismatic which draws followers to the leader and they view the leader as a role model due to the leader's high moral and ethical standards. Bass (2008) extends this view and described idealized influence as a leader's ability to exude confidence and

communicates the organizations values and mission to the followers. This characteristic also instills trust in the followers, because they are reassured that they are all working towards common values and ethics as well as the ability to overcome any obstacle.

Idealized influence is a component of transformational leadership that is concerned about the leader being a strong role model for followers. The followers admire their leader and have trust in his or her decision making and vision. The leaders are respected, trusted, have ethical standards and they provide direction, vision and clearly articulate the mission of the organization (Northhouse, 2013). Hughes (2014) posits that idealized influence enables followers to have pride in their leader. Such leaders portray behavior of going beyond their self-interest for the good of the organization. Leaders with idealized influence have emphasis on values, ethics, vision and collective mission of the organization. They act as role models to their followers due to their high moral behavior. The followers have trust in their leader, they believe the leader is ethical and is a personification of the values and morals of the organization. This attribute of transformational leadership enhances commitment and performance in the organization.

Kirkbride (2006) denotes that the leader's charismatic behavior and ethical behavior are the characteristic that draw followers to the leader and; because of the leaders' moral and ethical behavior, followers develop a high sense of purpose and work together with the leader to achieve organizational objectives. Jung and Avolio (2000) indicated that due to the high level of trust that the followers have with their leader, followers emulate the leader and display high commitment in achieving the vision of the organization. Antonakis, Avolio and Sivasubramaniam, (2003) found that idealized influence is a direct reflection of the level to which the followers view their leader as trustworthy, confident and ethical.

Bass and Riggio (2006) describe inspirational motivation as the way in which leaders communicate the vision, creating a positive future, and encourage the followers to attain objectives of the organization. Leaders communicate an attractive future and exude confidence that the vision is achievable. The leader creates team work and

morale in the followers to achieve the goals (Bass & Bass, 2008). Kirkbride (2006) concurs and indicates that the leader's ability to excite and communicate an optimistic future is what drives followers to commit to the vision and mission of the organization. The leader takes high risks and high expectations and creates meaning to the vision and mission of the organization that followers are able to relate with and therefore are compelled to achieve (Aldoory & Toth, 2004).

According to Northouse (2013) inspirational motivation is about raising the consciousness of employees by motivating and inspiring them to demonstrate commitment to the vision and mission of the group in the organization. Inspirational motivational leaders engage in clearly communicating high expectations to followers and increase team spirit and enthusiasm. Inspirational motivational leaders enhance subordinate task and job autonomy that results to high performance. Furthermore, inspirational motivational leaders seek to learn more and encourage subordinates to continue learning and enhancing personal and career development (Smith, 2011). Bass and Bass (2008) posit that leaders who exhibit inspirational motivation behavior are the leaders that are optimistic about the future and have a compelling vision for the future. Such leaders communicate effectively about what needs to be done to achieve the vision. They are also very confident that the vision can be achieved and they encourage subordinates to work as a team toward achievement of the vision. They create enthusiasm when subordinates face challenges in order to keep them focused on achieving objectives of the organization.

According to Bass and Riggio (2006), leaders challenge followers to be creative in problem solving and encourage innovation in their tasks. The leaders create an environment for followers to question the way things are done and view situations in new ways. The follower's mistakes or mishaps as they come up with new ways of solving old problems are not shunned upon or criticized because the leaders' goal is to create an environment of creativity and innovation which eventually gains organizational outcomes such as commitment, competitive advantage and high performance (Avolio & Bass, 2002).

Intellectual stimulation entails leaders' empowering followers to critically view their operational processes in order to generate creativity in daily business operations that are more efficient and effective. The leader also allows followers to solve problems on their own and thus develop job autonomy and commitment in the followers (Kirkbride, 2006). Transformational leaders also promote the view of followers having a holistic approach to how they work. This entails understanding what they do and how it contributes to the organizational vision. This encourages followers to have a broader view of the impact of their work and cultivates commitment and high performance (Van Eeden, Cilliers & Van Deventer, 2008).

Furthermore, transformed leader supports follower's ideas and innovations. They create an atmosphere or space for the followers to try new ways of doing things; enhance critical thinking and solving problems in different ways than they have been in the past. Further, such leaders encourage autonomy and the followers have a sense of job responsibility and their contribution is felt in the organization (Northouse, 2013). Transformational leaders allow room for mistakes. They do not publicly criticize new ideas and mistakes committed by their followers in the attempt of coming up with innovative ways of performance. Transformational leaders encourage new ways of thinking and do not hesitate to discard ineffective ways of operations. This creates room for innovation and high performance as the followers are looking for ways to perform their tasks in a better, more efficient and effective way (Johnson, 2009).

According to Antonakis, Avolio and Sivasubramaniam (2003), individualized consideration is defined as the support, advice and concern that leaders have for their followers to enable them achieve their career and personal goals. Individualized consideration is also viewed as the focus that a leader has on their followers to assist them to achieve growth and development (Bass & Avolio, 1994). Leaders act as mentors or coaches for different needs the followers have (Yasin, Fernando & Caputi, 2013). Individualized consideration is demonstrated by transformational leader in creating a supportive climate, listening to employee's needs, and acting as a coach and mentor. Leaders pay close attention to individual differences and treat their employees in the most caring way. Leaders also help individuals to achieve

goals and personal development. This type of leaders also uses delegation to get their employee to grow through personal challenges (Northouse, 2013).

A leader who exhibits individualized consideration behavior treats followers as individuals and not as a group. It is by treating the followers as individuals and giving personal attention to each follower where the leader understands and supports the specific needs of each member. Such leaders exhibit patience and good listening skills to be able to achieve this and at the same time develop each person by identifying their strengths and working on their weaknesses (Bass & Bass, 2008). Such leaders are concerned about followers needs and provide a supportive approach to leadership. They mentor and coach their followers to develop the necessary skills and competencies for their work as well as taking time to understand followers and caring for them in a unique way (Lussier & Achua, 2013). Leaders who exhibit individualized consideration view subordinates as individuals and not a group. They seek to enhance their development both in their personal lives and in the work place. They take time to identify their subordinates' skills and competencies and work together with their followers to meet the organizational objectives (Hughes, 2014).

Burns (1978) explained that transformational leaders inspire and motivate their followers to perform beyond what is expected of them and has been linked to high performance from subordinates and since the leader takes the time to inspire, motivate and equip their followers with the necessary tools to perform beyond expectation. It is the people in organizations that work under the guidance of their leaders to achieve certain organizational desired outcomes (Mahmood & Rafiq, 2010). This therefore suggests that organizations are unable to meet their objectives without employee commitment (Rad & Yarmohammadian, 2003). Employees who are committed to an organization are less likely to miss work, develop patterns of tardiness, and lack of enthusiasm and performance. They are in turn willing to do more than is expected of them at the workplace, and are less likely to leave the organization (Davenport, 2010).

Organizational performance has been an important aspect for organizations and employees and has received considerable attention from scholars on management

and organization. Research has shown that organizational commitment is positively related with higher work motivation, greater organizational citizenship, as well as higher job performance (Meyer et al., 2002); whereas employees who show less commitment in an organization exhibit high turnover and absenteeism (Bennett and Durkin, 2000). Jaramillo (2005) posits that there are significant results associated with committed employees such as performance and competitive advantage to the organization and consequently to an industry. These positive organizational outcomes are important and have enabled organizational commitment to receive attention from scholars and leadership practitioners (Vijayashree & Bhatti, 2011). Committed employees contribute to organization success by working hard to achieve the organizational goals. This fact alone is highly attractive to employers as the employees can propel an organization to competitive advantage through their commitment in the organization (Raja & Palanichamy, 2012).

2.2.2 Charismatic Theory

According to House (1976), there are many different ways to be a leader, but charismatic leaders guide by using charm and self-confidence. Their personality attracts attention and gains admirers. Charismatic leaders use others people's admiration to influence them to follow. Charismatic leaders with good ethics and intentions have the power to inspire and transform the people they lead. Immoral charismatic leaders can be forces of devastation and destruction. The theory further postulates that charismatic leaders have a clear vision of where they want to go and how to get there and they are fantastic at articulating that vision to others. These leaders are sensitive to their surroundings and to the needs of their followers and potential followers. Charismatic leaders are often risk-takers who do things that others are afraid to do, which engenders admiration. Their unconventional behavior often attracts others to them.

The charismatic theory is relevant to the current study since it explains the concept of idealized influence. Idealized influence is a component of transformational leadership that is concerned about the leader being a strong role model for followers. Followers admire their leader and have trust in his or her decision making and vision.

The leaders are respected, trusted, have ethical standards and they provide direction, vision and clearly articulate the mission of the organization (Northhouse, 2013). Idealized influence focuses on the leader's charismatic behavior that brings followers together through collective values, beliefs, goals and objectives of the organization (Thompson & Bunderson, 2003). Leaders that exercise idealized influence are viewed as leaders who are more concerned about the greater good of the organization than benefiting themselves. This behavior is admired by followers and enables the followers to emulate the same (Pieterse, Knippenberg, Schippers & Stam, 2010).

2.2.3 Hierarchy of Needs Theory

This theory was developed by Abram Maslow, (1954). The theory holds that if people grew in an environment in which their needs are not met, they will be unlikely to function as healthy individuals or well-adjusted individuals. Specifically, Maslow theorized that people have five types of needs and that these needs are activated in a hierarchical manner. This means that these needs are stimulated in a specific order from lowest to highest, such that the lowest-order need must be fulfilled before the next order need is triggered and the process continues.

According to Maslow, employers need to know where an individual staff is on the hierarchical pyramid in order to motivate him/her. This means that they need to focus on meeting that individual employee's needs at that level, adapted by (Robbins, 2012). The five types of needs identified include: Physiological needs which are the needs at the bottom of the triangle and include the lowest order need and most basic; security and safety needs; social needs; esteem needs and self-actualization needs. The hierarchy of needs theory is relevant to the current study since it links motivation to performance. When employees are motivated, then they are likely to be more productive and hence increase organization performance. Therefore, the theory of hierarchy of needs advances inspirational motivation, which is one of the independent variables in the current study.

2.2.4 Competency Theory

The competency theory is the theory of strategy that prescribes actions to be taken by organizations to achieve competitive advantage in the marketplace (Javidan, 1998). The concept of core competency states that organizations must play to their strengths or those areas or functions in which they have competencies. In addition, the theory also defines what forms a core competency and this is to do with it being not easy for competitors to imitate, it can be reused across the markets that the organization caters to and the products it makes, and it must add value to the end user or the consumers who get benefit from it. In other words, organizations must orient their strategies to tap into the core competencies and the core competency is the fundamental basis for the value added by the organization.

The theory is relevant to the current study since it explains the idea of intellectual stimulation. Intellectual Stimulation involves a leader's ability to challenge the subordinates thinking capability, their way of seeing problems in new ways and their creativity (Bass, 1985). It is the leader's ability to challenge the subordinates intellectually, to encourage them to do more than is expected of them, to enable subordinates to optimize their abilities and competencies to be creative and innovative in the way they perform their duties (Limsila & Ogunlana, 2008). Based on the theory, a leader should be able to bring out the competency of his/her followers, and this will lead to improved performance.

2.2.5 Self Interest theory

Self-interest refers to actions that elicit the most personal benefit (Jensen, 1994). Adam Smith, the father of modern economics, explains that the best economic benefit for all can usually be accomplished when individuals act in their own self-interest. His explanation of the invisible hand reveals that when dozens or even thousands act in their own self-interest, goods and services are created that benefit consumers and producers. In a market economy, individuals own most of the resources available, labor, land and capital, and use voluntary decisions, made in self-interest, to control the marketplace. In this type of system, the government plays a small role and the economy is shaped by two forces, self-interest and competition.

Self-interest is arguably the single largest motivator of economic activity (Jensen, 1994).

The theory of self-interest is relevant to the current study since it explains the concept of individualized consideration. A leader is concerned about the followers needs and provides a supportive approach to leadership. Leaders mentor and coach their followers to develop the necessary skills and competencies for their work as well as taking time to understand the followers and caring for them in a unique way (Lussier & Achua, 2013). Leaders that portray individualized consideration behavior understand that each subordinate is different, has different self-interests and therefore treats them as individuals and not as a group. According to the theory, a leader should be able to understand the interests of their followers and give them individualized consideration.

2.2.6 Schein's Theory of Organizational Culture

The Schein's theory of organizational culture consists of three domains: basic underlying assumptions, espoused values, and artifacts. Artifacts are the surface level of an organizational culture, tangible, easily seen and felt manifestations such products, physical environment, language, technology, clothing, myths and stories, published values, rituals and ceremonies (James & Jones, 2005). Espoused beliefs and values include strategies, goals, shared perceptions, shared assumptions, norms, beliefs and values instilled by founders and leaders.

According to James and Jones (2005) basic underlying assumptions are the base level of organizational culture, and are the deeply-embedded, unconscious, taken for granted assumptions that are shared with others. Any challenge of these assumptions will result in anxiety and defensiveness. According to Magee (2002), there are assumptions that members of an organization opt to adopt. The assumptions are mainly beliefs and values. Beliefs focus on reality and they come from experience while values are about ideals that are desirable and worth striving for. It is the specific assortment of principles that are shared by everyone in the organization. This in turn controls the way these people intermingle with each other and with outsiders. The sharing of these beliefs and values create a business culture (Azhar, 2003). The

Schein's theory of organizational culture informs the current study because it explains the assumptions, espoused values and artifacts that define an organization's culture. The adoption of these aspects could lead to improved organizational performance. The Schein's theory, therefore, advances the concept of organizational culture, which is used as a moderating variable in this study

2.2.7 Shareholders' Wealth Maximization Theory

Shareholders' wealth maximization theory developed by Jensen (2004) defines the primary duty of organizations' managers as the maximization of shareholder wealth. The theory enjoys widespread support in the academic finance community and is a fundamental building block of corporate financial theory. The shareholder value maximization hypothesis predicts that a organizations will engage in risk management policies if, and only if, they enhance its value and thus its shareholders' value. This goal is credited with the advantages that it considers all direct stakeholders of the organization. It is a long term objective and considers all the cash flows, uncertainty of returns since discounting rate can be adjusted according to the risks to be taken on board.

However, the Shareholder model has been criticized for encouraging short-term managerial thinking and condoning unethical behavior. Smith (2003) noted that critics believe Shareholder Theory is "geared towards short-term profit maximization at the expense of the long run." Further, he asserts that Shareholder Theory "involves using the prima facie rights claims of one group shareholders to excuse violating the rights of others." However, Jensen (2004), argue out that such critics are misguided because wealth maximization is inherently a long term goal, the organization must maximize the value of all future cash flows and not condone the exploitation of other stakeholders. The criticisms are understandable because many proponents of Shareholder Theory, in a stylized version of the model, exhort managers to maximize the organization's current stock price.

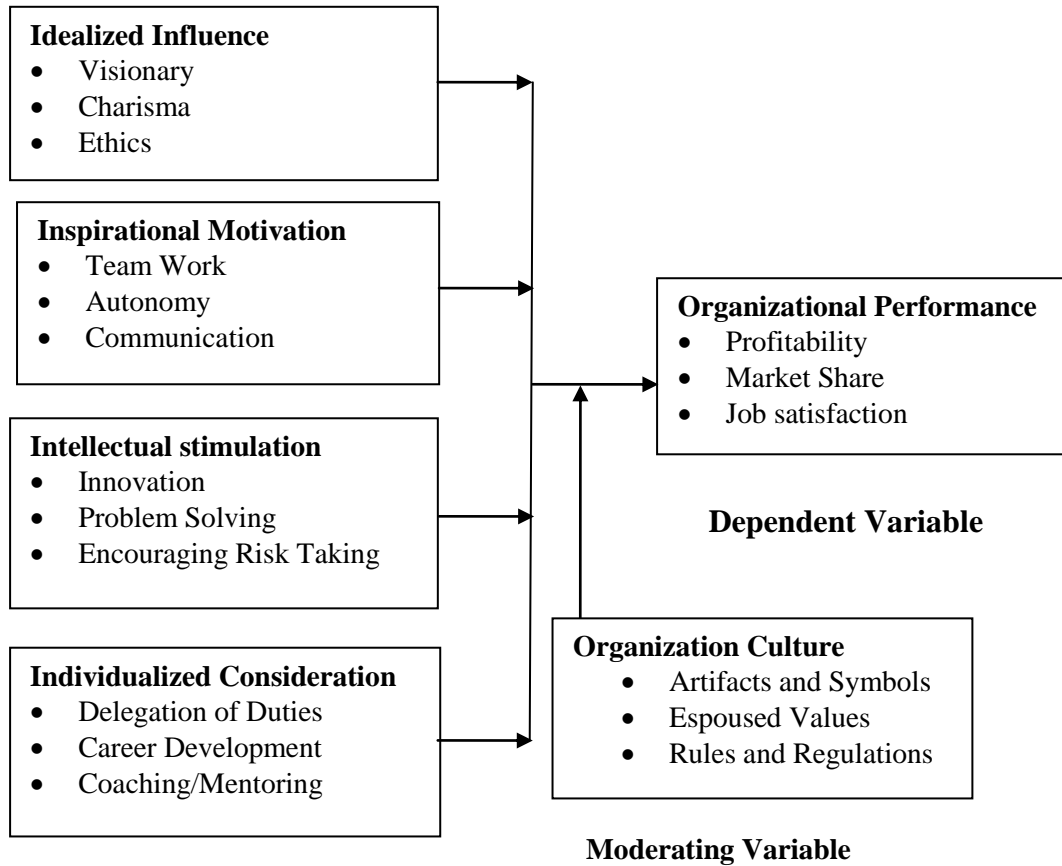
The theory is relevant to the current study since it explains the primary role of managers in an organization. The management of an organization plays a significant role in ensuring that the expectations of the shareholders are met. One of the key

expectations of the shareholders is to have their wealth maximized. However, it is not possible for managers to achieve the goal of wealth maximization while still holding on to inefficient leadership practices. There is, therefore, the need for managers to embrace transformational leadership styles, if they are to achieve the goal of maximizing the shareholders' wealth. The theory advances the dependent variable in this study, which is organizational performance.

2.3 Conceptual Framework

A conceptual framework is the researchers understanding of how variables interact. It is a guide that researcher use in investigating the relationship between the variables (Regoniel, 2015). The conceptual framework used in the study has been derived from the theoretical model of transformation leadership developed by Bass (1994). Transformation leadership is hypothesized to influence organizational performance whereas organization culture is hypothesized to moderate the relationship between transformation leadership and organizational performance. The association between the variables is presented in Figure 2.1.

Transformation Leadership Practices



Independent Variables

Figure 2.1: Conceptual Framework

2.3.1 Idealized Influence

Idealized influence is a component of transformational leadership that is concerned about the leader being a strong role model for followers. The followers admire their leader and have trust in his or her decision making and vision. The leaders are respected, trusted, have ethical standards and they provide direction, vision and clearly articulate the mission of the organization (Northhouse, 2013). Idealized influence focuses on the leader's charismatic behavior that brings followers together through collective values, beliefs, goals and objectives of the organization (Thompson & Bunderson, 2003). Leaders that exercise idealized influence are viewed as leaders who are more concerned about the greater good of the organizational than benefiting themselves. This behavior is admired by the followers

and enables followers to emulate the same (Pieterse, Knippenberg, Schippers & Stam, 2010).

Idealized influence has also been viewed as a behavior and as an attribute. As a behavior, the leader exhibits actions that depict selflessness, is team oriented and concern for their followers. As an attribute, followers ascribe to the leader trust and respect (Moss & Ritossa, 2007). It is further viewed as the leader's unique technical skills and competencies that are utilized when challenges occur in various tasks. By having these unique skills, followers develop admiration and respect towards the leader. Followers of leaders with idealized influence want to identify with them and also they want to develop these behaviors. These leaders are viewed as individuals with high ethical and moral values (Srithongrung, 2011).

Idealized influence is the behavior of a leader who inspires trust, admiration, and respect amongst a team to the extent that members emulate him/her. In general, it entails leading by example in all aspects that influence and shape opinions of followers. A transformational leader is expected to exhibit idealized influence (Lim & Ployhart, 2014). The bottom-line of idealized influence as an exhibition of transformational leadership is leading by example in all aspects that influence or shape opinions of followers. These may not be limited to public manifestations only, but private action as well (Yukl, 2010). This is because what and how a leader exists in the private space, saliently impacts his leadership influence in general, which can always be observed on how the followers respond. Besides, it's noteworthy that leader's stability in private space is directly related to his leadership effectiveness in the public arena, particularly for transformational leadership (Conger, 2014).

Idealized influence shows the capability of trust making and understanding the leadership by followers (Goffee & Jones, 2013). It is a radical factor in accepting changes in the organization. Without such trust and braveness, any effort to lead organization towards a common goal will be fruitless. Leadership is about leading willing followers; who are ready to be led. Accordingly, followers believe in and appreciate leaders who perform their duties well. In other words, a man is a leader when he has idealized influence and has expressed it to his followers. Basically, the

followers will try to obey leaders because of their idealized influence (Beer & Eisenstat, 2010).

The application of idealized influence behaviors by CEOs demonstrates their strength of delivery, which is an important determinant of a leader's charisma and effectiveness (Waldman & Yammarino, 1999). To be able to influence senior managers, the CEO as the leader articulates a clear, compelling vision of what can be attained by each work unit and the entire organization; providing a clear purpose, goals, values and norms that give meaning to work. Senior manager's as direct reports to the CEO are, therefore, able to trust and emulate the leader by identifying with the organization's vision and goals and driving them to achieve higher levels of individual performance (Wang, Tsui, & Xin, 2011). Transformational leadership behaviors linked to idealized influence that this study adopted were visionary leadership, charisma and ethics.

Studies have demonstrated that articulating appealing and inspiring vision, goal setting and good ethics are effective leadership practices related to idealized influence that leaders apply to drive performance improvement (Wang, Tsui, & Xin, 2011). Under this dimension of transformational leadership, leaders' articulate a powerful vision for their organizational and inspire followership. The leader's vision seeks to stimulate action to achieve an idealized state (Van Knippenberg & Stam, 2014). Among the components that come out strongly in the ability of the leader to articulate a vision, is how they shape formulation and implementation of the organization strategy (McKnight, 2009). Role modeling is also a strong factor in idealized influence, where leaders demonstrate the model behavior that is consistent with the goals and objectives of the organization that they would like achieved. Followers feel proud to be associated with a bold leader. To be a good role model, one requires exceptional ethical behavior, which then results in high levels of trust on the leader, consequently leading to job satisfaction and performance improvement (Ullah, 2013).

Manning and Robertson (2011) stated that transformational leaders recognize the teams' diverse strengths and talent in turn transforming the vision into action. Further

they stated that at the organizational level, leaders build support networks, involve staff and develop teams, promoting a culture of excellence. They express belief in the group's ability to achieve the target (Birasnav, Rangneker & Dalpati, 2011). Further they state that idealized influence which refers to leaders' actions based on values, beliefs and a sense of mission will be measured using ethical standing, role modeling support networks, involvement of staff, and promoting a culture of excellence.

According to Locke and Lethem (2013) goal setting theory, if a leader desires to influence employees' behavior, their strategies must be tied to goal setting. Thus, a leader's idealized influence cannot be all encompassing unless they are able to articulate specific, measurable, attainable and realistic and time bound goals. This is what drives initiatives in the organizational and by which the transformational leader is able to assess performance. This is because the goals speak daily to the employees' work demands and become their guiding light to the desired performance levels (Berson et al., 2015).

Sarros and Santora (2011) links idealized influence to charismatic leadership. They assert that charismatic leaders project their self-confidence onto others. It is their display of confidence in a follower's willingness to make self-sacrifices and an ability to accomplish exceptional goals that is a powerful motivating force of idealized influence and role modeling behavior. Further, leaders that have confidence in their workers can achieve great things. Sarros & Santora, (2011) stated that leaders who are high in idealized influence also have a strong sense of emotional stability and control. These leaders rise above inner conflicts and believe strongly in their capacities to be masters of their own destinies. Further they have a positive sense of self-determination and they are in control emotionally. They have the conviction that transforming their followers through communication, role modeling, and encouragement are appropriate strategies for achieving the mission and goals of the company. Followers admire the leader as a role model and respect decisions made by him or her (Sullivan & Decker 2011). Bass and Avolio (1990) assert that idealized influence encompasses influence over ideology, influence over ideals, and influence over bigger-than-life issues.

According to Berson et al. (2015) performance improves because the CEO's direct reports, the senior managers, have to transmit the charismatic leader's vision to the organization's lower echelons and demonstrate their commitment to the vision in their daily interactions with other employees. The charismatic aspect of idealized influence, therefore, enables CEOs to positively distinguish their organization from their competitors by referring to the organizational vision, success stories, specific competencies, successful innovations and products. The CEO as a leader has a great responsibility in modeling the right behaviors in the organization that influences performance positively (Lankau, 2004). If a leader desires to influence employees' behaviors, their strategies must be tied to goal setting and ethics (Locke & Latham, 2013).

Vision in an organization has been defined as the ultimate outcome that the organization sees itself or looks to achieve. It represents where the organization is today and where it aspires to be or achieve. It is the reason that leaders and employees aspire to achieve (Yoeli & Berkovich, 2010). Vision as a measure of idealized influence has been viewed as the leader's ability to combine both the organizational vision and the leaders' vision to the realization of the same. The ability of the leader to communicate the vision to the followers has been linked to positive outcomes (Heath & Heath, 2010). Ethics in leadership is viewed as the leader's ability to consistently exhibit organizational values, through their actions, relationships, communication and in making decisions (Brown, Trevino & Harrison, 2005). It is further defined as the follower's perception of the leaders' ability to consistently adhere to the policies, procedures and practices within the organization (Mayer, Kuenzi & Greenbaum, 2010). Ethical leadership as a component of idealized influence has been linked to organizational performance.

Idealized influence (attributes) refers to leaders' socialized charisma such as confidence, beyond self-interest, ethical standing, and power. Leaders who exert idealized influence behave in ways that demonstrate high standards of ethical and moral conduct (Krishen & Singh, 2010). According to Block (2013) idealized influence (behaviors), which refers to leaders' actions based on values, beliefs and a sense of mission impact on transformational leaders who act as role models for

employees, motivate them, and stimulate their intelligence. Idealized Influence involves inspiring visions, sharing risks and hardships, and earning trust and confidence from subordinates (Zopiatis & Constanti, 2010).

Idealized influence and inspirational motivation are concerned with the leader's ability to formulate and articulate a shared vision (Yammarino, Dionne, Atwater & Spangler, 2014). Such leaders exude power and impacts followers through visionary means (Bass, 1985). Developing a transparent vision and inspiring subordinates to pursue the vision is of great importance to transformational leaders (Lievens, Van Geit & Coetsier, 2007). According to Tucker and Russell (2014), transformational leaders emphasize new possibilities and promote a compelling vision of the future. A strong sense of purpose guides their vision. Transforming organizations led by transforming leaders appeal to human characteristics that lift their sights above the routine, everyday elements of a mechanistic, power-oriented system. Transformational leaders manifest passionate inspiration (Hersey & Blanchard, 2006) and visibly model appropriate behaviors (Kouzes & Posner, 1987). The goal is change that raises organizations to new and exciting possibilities. To reach the goal, organizations must receive new energy and vision from their leaders. The process of transformational leadership grows out of this sense of vision and energy.

Transformational leaders work to bring about human and economic transformation. Within the organization, they generate visions, missions, goals, and a culture that contributes to the ability of individuals, groups, and the organization to "practice its values and serve its purpose" (Hickman, 1997). These leaders are reliable persons who generate commitment from followers, which results in a sense of shared purpose (Waddock & Post, 1991). The leader's ability to inspire, motivate, and foster commitment to a shared purpose is crucial (Bass, 2009).

Transformational leaders influence subordinates by motivating and inspiring them to achieve organizational goals (Bass & Avolio, 1995). Transformational leaders also try to help subordinates imagine appealing future outcomes (Bass & Riggio, 2006) related to the organization. Research has shown that transformational leaders who exhibit idealized influence affect organizational outcomes such as organizational

citizenship behavior, organizational commitment, job satisfaction, effort, and in-role performance (Nguni, Slegers, & Denessen, 2006). Burns further emphasizes that transformational leaders have a vision and challenge others to do extraordinary works. He believes that transformational leaders are able to draw new necessary routes for modern organizations because that they are the source of changes.

Transformational leaders have complete influence over organizational changes. This kind of leadership can draw a clearer and better picture for future, define its vision for employees more effectively and the employees will accept their vision as a fact. Boss (2010), believes that idealized influence model is applicable universally; which encourages followers to neglect individual interests for group or organizational interests and stimulates them to work more than usual. Transformational leaders create an extraordinary motivation by confirming the employees' ideas and values and inspiring them to think about various problems by utilizing modern methods (Fink, 2010).

Transformational leaders change the society by their own words and behaviors. The influence of transformational leaders is based on their capabilities to inspire others through their words, deeds, conversation, insight and initiatives (Kouzes & Posner, 2007). Such leadership occurs when leaders improve their employees' interests toward themselves. The leaders create awareness and acceptance of aims and mission of the group (Alvesson & Sveningsson, 2008). Transformational leaders have a vision of where their organizations should be. They make their vision a reality and rally their followers to pursue the same goals (Harrison & Enz, 2010). Traditionally, the idea of a vision has been a description or a picture of what the organization could be; accommodating the needs of all its stakeholders. The competitive rapidly changing global marketplace has refined this to be an articulation of characterization of what the leader sees the company must establish and sustain global leadership (Pearce & Robinson, 2011). Idealized influence is effective in shaping and communicating a vision that clarifies strategic intent in a way that everyone understands, creating a better rationale on any radical change and strategic change. Transformational leaders depict glowing representations of a future vision for

followers. As a result, leaders are able to formulate a clear and compelling vision, motivating employees to share that vision (Manning & Robertson, 2011).

A shared corporate vision ensures that the organization's efforts are aligned towards the same purpose and that there is alignment between individuals and the organization (Barine & Minja, 2014). Thus, the leader's vision seeks to stimulate action to achieve an idealized state. According to Van Knippenberg and Stam (2014), formulation and articulation of the organization's vision falls squarely on the shoulders of the CEO. Through the vision, the leader provides a sense of purpose and meaning resulting in high levels of cohesion, commitment, trust, motivation and performance. The vision provides a bridge between the present and the future rallying employees to action. Northouse (2013) also notes that leadership is a process whereby a leader influences a group of individuals and this cannot be accomplished without the leader having a vision. Berson et al. (2016) note that vision is the fuel that leaders run on and is the energy that creates action and more importantly, a leader cannot command followership without a clearly articulated vision. Leaders, therefore, must be able to share a vision with their followers in order to facilitate common goals and perspectives that are critical to achieving desired organizational outcomes.

In this study, idealized influence in a leader was measured by studying the leadership behaviors namely; the charismatic, visionary and ethical behavior of the leader. Charisma as a measure of idealized influence has been described as leaders that exhibit behaviors such as humor, good communication that enables their followers to admire them, loyal to them and respect them. This charismatic behavior has been linked to positive organizational performance (Shastric, Shashi & Sinha, 2010).

2.3.2 Inspirational Motivation

Inspirational Motivation leadership behavior is associated with the leaders' ability to communicate positively regarding the future (Bass 2018). By doing so, the leader is confident that the goals and objectives of the organization will be achieved. The ability to communicate positively about the future encourages, facilitates team spirit and motivates that enables followers to view their challenges as mere huddles as they

work together to achieve the overall objective or goal of the organization (Bass & Bass, 2008). Inspirational Motivation is another component of transformational leadership and is concerned with the leader communicating and expecting high performance and output from their followers. Leaders inspire followers by motivating them to buy in to the vision of the organization (Lussier & Achua, 2013). Inspirational motivation was measured by team work, leader's ability to communicate the organizations vision and motivate followers to achieve the vision and job autonomy. Teamwork has been empirically found be a measure of inspirational motivation and to have a positive relationship with organizational performance.

Effective communication between the leader and subordinates has been linked to positive organizational outcomes such as high performance (Asamu, 2014). Autonomy as a measure of inspirational motivation is defined as the level ownership, and freedom that one has to perform their tasks. Job autonomy enables employees to decide how they are going to deliver on their assigned tasks. This has been found to have positive outcomes such as higher productivity and performance (Sisodia & Dasa, 2013). Job autonomy has been further linked to employee's increased self-esteem and satisfaction. With higher self-esteem, employees are able to perform better at their jobs and are more positive with their jobs (Chu, 2006).

Inspirational motivation has been identified as a key contributor to employee dedication and is applied by the leader to realize higher levels of employee engagement, which are connected to better performance outcomes (Gallup, 2017). The inspiration and motivational aspect of transformational leadership enables leaders to energize the workforce and point them towards the desired vision. Inspirational motivation is also concerned with the ways and manner in which managers inspire their subordinates to commit and share in the vision and mission of the organizational within which they work (Gitoho, Kamau, & Muchara, 2016). Techniques applied by the leader include providing opportunities for achievement, recognition, and responsibility (Mayfield, 2016).

According to Katou and Budhwar (2008), formal information sharing is important for the sake of making employee maximize on their job performance. For example, the clearer an employee is about the basic goals and mission of the organization, the easier it is to direct job activities in that direction. Research carried on the importance of communication shows positive relationship between effective communication and improvement of the quality of work. The above view is supported by Hunter and Schmidt (2011), since information is critical as it affects attitude and motivation of employees. Effective management communication is one of the major influencing factors of employee performance management contributing to organization productivity (Bass & Riggio, 2006).

Leaders with inspirational motivation are able to create a strong sense of team spirit among followers as a means of inspiring them towards the realization of stated organizational outcomes (Bass & Riggio, 2006). Teamwork has been identified as a strong moderating factor in transformational leadership studies (Mathieu, Kuenberger, D'Innocenzo, & Reilly, 2015). A leader should see more than what is seen by others. An important leadership trait is that they should be able to come up with a transformational vision. Leaders that are transformational are aware that a well-developed vision which is crafted and shared in the right manner can lead to a change in an individual, a team or to an entire society (Udoh & Agu, 2012). If a leader is able to effectively define the vision and also clearly communicate it to the followers, the followers will clearly understand the vision and also come up with ways to contribute to achieve the organization's vision. Leaders who are transformative encourage their followers to experiment, take risks and come up with innovative ideas.

Leaders are vision driven and are not satisfied with the status quo (Mutahar, 2015). They might successfully complete a challenge but they often will start looking at another challenge to tackle. An important role of a transforming leader is his or her ability to communicate shared ideas, vision, beliefs and values in both an enthusiastic and exciting manner. A passionate leader is able to inspire his followers, encourage them and promotes enthusiasm (ElKordy, 2013).

Inspirational motivation emphasizes empowerment of subordinates as key tenets. It is the ability to motivate followers, primarily through the communication of high-level expectations (García- Morales, Loréns- Montes & Verdú- Jover, 2008). The application of inspirational motivation behaviors by CEOs involves their ability to present attractive and compelling vision to followers in an optimistic way. They must walk the talk by acting in ways that motivate followers to pursue their vision. Transformational leadership behaviors linked to inspiration motivation are communicating the vision, inspiring and motivating followers, and encouraging team spirit (Northouse, 2013). Application of behaviors of inspirational motivation have been linked to followers' performance improvement (Sadeghi & Pihie, 2012).

Mpungu (2009) in a study to determine the effect of communication on the performance of workers in organizations with the case study being Mobile Telephone Network (MTN), both qualitative and quantitative methods were used in the study where a total of 86 respondents consisting of 23 managers, 11 heads of departments, and 50 workers were sampled. The findings concluded that communication had a positive contribution to the performance of workers and therefore utilization of communication in a company was found to be having a positive impact on the staff performance. The study recommended that for organizations to be performing highly, effective communication that involve employees in decision making should be adopted and bureaucratic tendencies must be avoided, and that leaders should avail necessary information to their followers.

Inspiration motivation is the art of sharing a compelling vision or a goal, constantly motivating team members, boosting confidence, and making assurances despite imminent barriers faced. Transformational leaders exhibit this attribute (Ladd & Marshal, 2014). A transformational leader is expected to exhibit inspiration motivation (Koys, 2014). Inspiration motivation has to do with coherently putting forth organizational goals and objectives, and is an attribute that is associated with transformational leaders. Research has demonstrated that clarity of organizational goals and expectations has a direct contribution on how every person in the team performs. Equally attributable to inspiration motivation is the insatiable push by the leader to ensure that there exists mutual consensus within the team members

(Kelchner, 2013). Leaders, who are transformational, are astute at articulating compelling visions for the future, in such a manner that enhance ownership at an emotional level among the team members, making them improve in what they do (Manteklow, 2011). The extent of inspiring and stirring up followers into progressive and productive action is not a question for inspirational motivation leaders, it is the hallmark of their leadership being. That puts a demand on them to continuously learn and employ tactics that are fresh in triggering and sustaining cooperation and team spirit at the place of work. The result of such action from the leader will be experienced everywhere, ranging from fostering interteam collaboration, to a culture of collective responsibility (Bass, 2012).

The dimensions of inspirational motivation indicate that respondents have enthusiasm to carry out tasks because the leader can arouse aspirations of subordinates, and subordinates are also able to advance team spirit in all tasks at hand (Sundi 2013). Key to organizational performance is ensuring that trust and satisfaction among employees is entrenched through practices such as the freedom to make choices and decisions on how tasks can be accomplished faster. This can be looked at further from Rawung, Wuryaningrat and Elvinita (2015) perspective when they said that leaders, who exhibit inspirational motivation, greatly excel at establishing a culture of trust among employees, by giving them the space to independently think through on the best approaches applicable in every unique work situation. Accordingly, they argue that inspirational motivation sets the basis for sharing knowledge, which is key at enhancing job autonomy and general performance of the organization.

Emeka, Amaka and Ejim (2015) found that extrinsic motivation provided to any organization, greatly influences the productivity of the employees. This is in line with the equity theory that articulates fair remuneration for employees is important as it increases their performance in the workplace. Similarly, Oluyinka and Hashim (2012) found that organization performance is positively related to the workers' productivity. When workers' productivity increases, the organization performance increases too. The important notion in this case is that once employee motivation increases, the organization's performance is bound to increase. Leaders apply

inspirational motivation when they motivate employees to a higher level of contribution and productivity by dedicating attention to higher causes (Barine & Minja, 2014). Through inspirational motivation, transformational leaders inspire and motivate followers toward new ideas or goals that the organization confronts with changing business requirements (Bass & Avolio, 2009). Transformational CEOs use inspirational motivation to create, change, and sustain employees' motivation and meaningfulness to their work by shaping their experiences and guiding them toward a common goal (Barrick, Thurgood, Smith, & Courtright, 2015). Brown and Treviño (2009) established that through inspirational motivation, transformational leaders convey to organizational members' value-based visions that result in enhanced value congruence and teamwork between the organization and its employees.

Studies show that transformational leadership leads to higher levels of performance. Leaders' expectations of successful unit performance play a key role in enabling successful implementation of unit goals (Yukl, 2010). Such feelings have a transformational influence and empower subordinates to participate in vision implementation. It also helps subordinates persist in efforts despite organizational obstacles. Transformational leaders repose trust and express high confidence in the ability of followers. Followers in turn repose a lot of trust in leaders, and have confidence in achievement of the vision set by these leaders. This leads to a collective belief in the achievement potential of the group as a whole. They express belief in the group's ability to achieve their target (Birasnav, Rangneker & Dalpati, 2011).

Camps and Rodriguez, (2011) were of the view that authentic transformational leaders were those who sacrificed for the common good. A team collaborates in their professional work in an enterprise or on some assignment, sharing accountability and responsibility for obtaining results. Team members possess essential skills and abilities, a strong desire to contribute, collaborate effectively and have a sense of responsible idealism. Transformational leaders recognize their teams' diverse strengths and talent in turn transforming the vision into action. At the organizational level, leaders build support networks, involve staff and develop teams, promoting a culture of excellence (Manning & Robertson, 2011).

Stam (2014) posit that vision communication is the expression of a vision with the aim of convincing followers that the vision is valid and worthwhile, and selling the desired future state and involves the leader identifying the best way to express the vision. In an empirical review of communication literature, researchers provided an integrative account of how vision communication stimulates the pursuit of the vision by followers. They argue that the success of vision communication lies in motivating followers to aim to realize the vision. The success of communicating the vision is assessed by the extent to which it motivates followers to strive for its realization.

2.3.3 Intellectual Stimulation

Intellectual stimulation is defined as leader's ability to challenge the subordinates thinking capability, their way of seeing problems in new ways and their creativity (Bass, 1985). It is the leader's ability to challenge the subordinates intellectually, to encourage them to do more than is expected of them, to enable subordinates to optimize their abilities and competencies to be creative and innovative in the way they perform their duties (Limsila & Ogunlana, 2008). Intellectual stimulation is a character of leaders who inspire people's creativity and innovativeness, encouraging them to question norms and seek for new approaches and solutions to problems (Hall & Keilitz, 2012). A transformational leader is expected to exhibit intellectual stimulation (Bass & Avolio, 2006). Key aspect of intellectual stimulation is promoting innovation and creativity by the leader, so that team members do not settle for conventional norms and known ways of tackling issues (Elkins & Keller, 2013). Geyer and Steyrer (2010) further argue that through intellectual stimulation, new frameworks are established that enable people to constructively dismantle old assumptions and essentially develop more innovative methods and approaches. By this, Bass (1985) posit that team members will feel that they have the power to consider new paths and ideas to follow without fear of reprimand, and essentially will lead to better performance outcomes at individual and organizational levels.

Leaders with intellectual stimulation character supports follower's ideas and innovations. Such leaders create an atmosphere or space for the followers to try new ways of doing things. They also encourage critical thinking and problem solving.

This enhances autonomy and followers get the sense of job responsibility and their contribution is felt in the organization (Northouse, 2013). Intellectual stimulation is more task-focused as it is directed toward changing how employees think about their work activities and roles. In a study conducted by Peng, Lin, Schaubroeck, McDonough, Hu and Zhang (2016), leaders' intellectual stimulation was found to greatly improve employees' perceptions of their work meaningfulness. The authors argue that poor firm performance and high levels of industry dynamism each heighten the salience and relevance of leaders' intellectual stimulation. Accordingly, leaders' intellectual stimulation was also found to have a stronger positive association with employee work meaningfulness when the company is performing relatively poorly, or when the industry environment is more dynamic.

Mwesigwa and Namiyingo (2014) indicate that leaders who are open-minded tend to intellectually influence their subjects. Such leaders will want to challenge the norm and make a case out of every argument; this encourages their subordinates to intellectually challenge themselves more. With more cognitive thinking, the people are able to gain more knowledge, which helps to better their lives. Transformational leaders are always in the forefront to challenge assumed information. They make sure that every bit of fact has been argued to satisfy its validity. Such leaders encourage people to think critically and make mistakes as it is the only way they are able to learn new ways of doing things (Ul Hassan, Malik, Hasnain, Faiz & Abbas, 2013). With such encouragement, employees are encouraged to take more risks.

Colbert, Kristof-Brown, Bradley and Barrick (2008) postulate that when senior managers are able to trust the range of options to consider in their decision-making, it promotes innovation, thus converting intellectual stimulation provided by transformational leaders into advantageous outcomes (Braun 2013). Transformational leadership behaviors linked to intellectual stimulation that this study adopted comprised problem solving, encouraging risk taking and stimulating innovation. The intellectual stimulation dimension of transformational leadership explains the degree in which the leaders stimulate their follower's endeavors to be innovative and creative, considering old organizational challenges with new perspectives (Moss & Ritossa, 2007).

Datche and Mukulu (2015) also established that intellectual stimulation of supervisors facilitates positive relationship with employee engagement, which enhances organizational performance. The study encouraged leaders to pursue intellectual stimulation of their followers as antecedents for performance improvement. Leadership is one of the most critical factors that influence creativity and innovation in any organization. Transformational leadership, in particular, has been singled out as the effective mode of management in promoting creativity. Quagraine (2010) argues that this kind of leadership motivates employees to improve their input in an organization. In addition, transformational leadership challenges employees to aim higher and also to be ambitious. Ojokuku and Ogbomoso (2014) argue that this type of leadership definitely promotes creativity which in turn leads to innovative minds. This in turn positively influences the performance of an organization. It is, therefore, recommended that leaders in an organization should embrace this kind of leadership as it leads to positive results not only in an organization capacity but also in an individual capacity.

In the banking sector in Pakistan, Ul Hassan (2013) established that the relationship between management and employees together with internal factors such as job complication determine the level of creativity in the organization. The management should, therefore, come up with a model that tackles all the components of banking system, this will in turn challenge employees to be more innovative. In addition, leaders should offer moral support to the employees and create guidelines that further encourage workers to be more creative (Udoh & Agu, 2012). When the working relationship between the management and employees is enhanced then the management will be mindful of employees' emotional needs, thereby encouraging them to put more effort to the good of the organization. It is, therefore, important that management creates an open environment where employees are encouraged to work under minimal supervision as this encourages creativity in employees (Mutahar, Rasli & Al-Ghazali, 2015).

According to Hannah and Avolio (2013), some of the ways that leaders can stimulate the innovative and creative abilities of their followers include questioning assumptions, reframing problems, and approaching old situations in new ways.

Leaders allow followers to make some mistakes so that their creativity and innovation is not stifled. Key behaviors applied by leaders include re-examining critical assumptions to question whether they are appropriate; seeking differing perspectives when solving problems; getting others to look at problems from many different angles; and suggesting new ways of completing tasks (Hannah & Avolio, 2013).

Tabassi and Bakar, (2010) observed that a transformational leader pays attention to the concerns and development needs of individual team members. Such leaders influence their members' attitude by helping them to look at previous problems in new ways, and they are able to excite, arouse and inspire members to inject extra effort to achieve the goals of their group. Therefore, transformational leadership has significant relationships with work quality, work quantity and creativity in problem solving of subordinates. Transformational leaders stimulate the efforts of their followers as regards to innovation and creativity, stimulate permanent examination of the existent assumptions, stimulate change in the way of thinking about problems, plead the use of analogy and metaphor, makes it possible for employees to get creative ideas for solving problems from the followers (Avolio & Bass, 1995). Transformational leadership is about encouragement to raise the consciousness of workers about the organization's mission, vision, and committing to the vision is a key theme of this factor.

Leaders, who are transformational, challenge followers to collectively participate in finding new solutions to work-related problems, especially where performance improvement is an imperative. These leaders go further to establish an organizational atmosphere that makes participation, both as an individual and collectively as teams, the norm. Such leaders intellectually stimulate followers to question common assumptions and status quo, besides finding innovative and creative ways of solving challenges (Smothers, Doleh, Celuch, Peluchette & Valadares, 2016). Workplace participation and interaction is not only a medium for discussion and sharing of responsibilities, but also, a platform for productive and continuous strategic communications, leading to performance improvement (Bhatti & Qureshi, 2011).

An organization can formulate a direction for achieving certain goals through articulation of ideas. Bell and Menguc (2012) opines that vision plays the role of pointing the direction an institution intends to take. It's the responsibility of the transformational leader not only to stimulate the follower's intellect by painting a directional picture, but also the methodology for execution. Koys (2014) views the transformational leader's task as that of harnessing the people's intellectual capital towards organization's goals. Further, Anjali and Anand (2015) point out that the development of staff commitment in an organization is enhanced in part, when a leader intellectually stimulates. There needs no emphasis, that when staff are developed, organizational performance is improved. Indeed, Sundi (2013) emphasizes that employee's function well in an environment where rationality and creativity thrives, and that intellectual stimulation is key in entrenching it.

One of the reasons intellectual stimulation results in enhanced learning outcomes may be due to transformational leadership's association with intrinsic motivation. Transformational leadership has been linked to intrinsic motivation in subordinates both theoretically (Bass, 1985; Bass & Riggio, 2006) and empirically (Piccolo & Colquitt, 2006; Bolkan, et al. 2006; Shin & Zhou, 2003), and studies suggest that the impact of transformational leadership on intrinsic motivation leads to positive organizational outcomes including task performance, organizational citizenship behaviors (Piccolo & Colquitt, 2006), and follower creativity (Shin & Zhou, 2013). First, transformational leadership might intrinsically foster more job satisfaction given its ability to impart a sense of mission and intellectual stimulation. Also, transformational leaders encourage followers to take on more responsibility and autonomy. The work tasks would then provide the followers with an increased level of accomplishment and satisfaction (Emery & Barker, 2007).

Intellectual stimulation is transformational leadership behavior that challenges followers' ideas and values for solving problems. Through intellectual stimulation, leaders encourage subordinates to question the universality of previous cognitive frames, opening the door for new frames to develop. Transformational leaders know that creativity; knowledge creation and continuous improvement are the only real ways to achieve a sustainable competitive advantage. Hence, they continually

challenge old assumptions and ways of doing things, foster creativity, stress the use of intelligence, and stimulate in others new perspectives and ways of doing things (Hancott, 2005).

Transformational leadership is one the most critical factors that influence creativity in any organization. Intellectual stimulation, in particular, has been singled out as the effective mode of management in promoting creativity. Quagraine (2010) argues that this kind of leadership motivates employees to improve their input in an organization. In addition, transformational leadership, challenges employees to aim higher and also to be ambitious. Ojokuku and Ogbomoso (2014) argue that this type of leadership definitely promotes creativity which in turn leads to innovative minds. This in turn positively influences the performance of an organization. It is, therefore, recommended that leaders in an organization should embrace this kind of leadership as it leads to positive results not only in an organization capacity but also in an individual capacity.

Transformational leaders never lose sight of their goals or compromise on their principles. They are principled and pragmatic; principled in that, the long-term courses they adopt are based on what is morally right and pragmatic because they are willing to miss an immediate issue because they would not be distracted from the ultimate objective (Alvesson & Sveningsson, 2008). Values not only affect the choices leaders make about what is and what is not important, they also have an impact on the choices they make about the people they want to work with (Kouzes & Posner, 2007). Leaders tend to like followers with similar values and dislike those with dissimilar values. Hogan and Curphy (2014) argue that leaders who surround themselves with followers who possess divergent values are likely to face more tension and conflict within the group but this approach is also more likely to provide a broader way of solving problems within the group.

Mwesigwa and Namiyingo (2014) also add that creativity of employees goes hand in hand with positive performance of banks in the Ugandan banking system. Most important to note is that creativity brings about ways under which to tackle daily tasks, therefore, employees come up with new methods of carrying out duties which

help in saving time thus cutting losses. It is through these new ideas that organizations are able to meet the demand of the customers thus increasing their market base. In the same sense, creating new ideas provides room for improvement in terms of organization operation system. This increases efficiency and ease of production (Thamrin, 2015).

Creativity in an organization improves its credential, making it more reliable and providing room for growth. Such organizations are able to venture into new markets since they have the required support to do so. However, it is important to note that creativity without implementation is of no use in an organization hence organizations must tap creative ideas and turn them into meaningful products (Li, Mitchell & Boyle, 2016). Failure to take this initiative, an organization is likely to lag behind as the market turns to more innovative strategies. Motivation should be the first step as far as tapping of ideas is concerned. Without it, employees may not fulfill their potential, which basically means that organization performance will remain stagnant. For instance, the management can use transformational leadership to motivate workers to become more creative (Pradhan & Pradhan, 2015). Transformational leadership can therefore provide a platform for creativity based initiatives to prosper.

Intellectual stimulation shall be measured using innovativeness, leader's ability to encourage participation and nontraditional perspectives when solving problems and communicating high expectations from followers (Bass, 1985; Deluga, 1988). Innovation has been linked to several positive organizational outcomes such as high performance and higher productivity. When leaders support and encourage their followers, then the followers are able to be innovative as they perform their duties (Cheung & Wong, 2011). When leaders interact with their subordinates effectively, working together as a team and assure the subordinates of their support, then the subordinates have been found to be more innovative as they deliver on their assigned tasks (Liao, Liu & Loi, 2010).

Intellectual stimulation encourages staff members to take risks to challenge the status quo and to try new ways of working. This heightens the ability to perceive things in new ways and to explore and experiment novel ideas, which is a core element of an

employees' creative performance. Leaders encourage subordinates to take risks and challenge assumptions (Moos, 2015). Risk taking is defined as venturing into unknown areas for the organization, without knowledge of the outcome. Risk taking encourages intrapreneurship. At the individual level, intrapreneurship involves networking behavior, out of the box thinking, initiative, taking charge and championing new initiatives (Thamrin, 2015).

Employees who are willing to take real risks in sharing and pushing innovative projects are considered to be entrepreneurs. Organizations are increasingly finding value in promoting an intrapreneurship culture through encouraging risk taking and organizational leaders are focusing on this (Coulson-Thomas, 2014). There is a positive relationship between intellectual stimulation and business performance; however intellectual stimulation cannot be achieved without some degree of risk taking (Utami, 2013).

Wah (2010) undertook a study with the aim of establishing the relationship between transformational leadership and performance. The study, found that transformational leadership dimension of intellectual stimulation significantly influences performance in a positive manner. There was also a partially positive and significant relationship between transformational leadership and innovation. In addition, performance was predicted by their innovation capability. According to García-Morales et al. (2012), innovation is essential to improving organization performance. In a survey in China of CEOs and their employees from Small To Medium-Sized Enterprises (SMEs) that focused on technology and product innovations, Peng (2016) established that because employees in these companies must continually adapt to changing technologies and/or contribute to innovations themselves, intellectual stimulation conveyed by organizational leaders may have direct relevance to how employees enact meaning from their work.

2.3.4 Individualized Consideration

Participative leadership has been empirically linked to subordinate creativity, performance, productivity, job satisfaction and commitment (Asgari & Hassanpour, 2013). Further studies have shown that employees are increasingly involved in the

decision making process to enhance autonomy, creativity and organizational performance (Somech, 2010). Leaders are concerned about the followers' needs and how to provide supportive approach towards achievement of their goals. Such leaders mentor and coach their followers to develop the necessary skills and competencies for their work as well as taking time to understand the followers and caring for them in a unique way (Lussier & Achua, 2013). Leaders that portray individualized consideration behavior understand that each subordinate is different, has different capabilities and therefore treats them as individuals and not as a group.

Delegation of duties is viewed as the leader's ability to empower subordinates by giving them tasks or duties that they would not normally do and that have higher responsibility than their day to day tasks (Sharma & Kaur, 2009). Delegation has further been linked to employee's perception of fairness and justice in the organization, increased teamwork, increased leader member exchange and organizational performance (Elele & Fields, 2010). Coaching and mentoring are used in organizations to develop skills, competencies and talent. The coaches and mentors are usually higher in rank in organizations and also have higher skills, experience that is to be transferred to the mentees (Ragins & Kram, 2007). In several organizations today, coaching and mentoring is used as a strategy for succession planning, and organizational performance (Bennett & Bush, 2009). The mentors and coaches act like role models and confidants. Leaders give subordinates a variety of tasks that will enable them to develop new skills. Coaching and mentoring behaviors have been linked to low turnover, increased productivity and job satisfaction (Hu, Wang, Yang & Wu, 2014).

Individualized consideration is the quality of a leader who extends personalised attention to followers, wherein he plays both coaching and mentoring roles. It entails extending empathy and support, keeping communication with followers, creating a culture of respect, and celebrating the contribution of others (Bass & Riggio, 2006). A transformational leader is expected to exhibit individualized consideration (Bass & Avolio, 2006). Individualized consideration entails responding to people's unique needs by including everybody in the process of transformational initiative (Conger, 2014). These leaders also are effective at delegating duties, which does facilitate

efficiency and hence improvement in performance. Delegation is the tasking of one or more important errands or obligations, either operational or administrative in nature, to subordinates (Conger, 2014). Sometimes those in leadership underestimate the power in delegation. In the hindsight, delegation when practiced objectively is a sure motivating tool at the place of work, helping to create energized and high performing teams (Zheng, Yang & Mclean, 2010).

Individualized considerate leaders pay special attention to each individual follower's needs for achievement and growth by acting as an advisor, coach or mentor. Subordinates and colleagues are developed successively to the higher levels of potential. Individualized consideration is practiced when new learning opportunities are created along with a supportive climate. Individual differences in terms of needs and desires are recognized and leader delegates tasks as a means of developing followers. Delegated tasks are monitored to sincerely identify if the followers need further support (Bass & Riggio, 2006). Employees need to be helped to do their present job correctly and effectively. Allen and Wright (2009) differentiated the concept of training and development. Training is short term in nature and is designed to permit learner acquire knowledge and skills needed for the current job while development is training of a long-term nature which is aimed at developing current and future employees for future jobs within the organisation or to solve a problem.

Transformational leadership behaviors linked to individualized consideration are supporting empowering and developing followers through coaching and mentoring, and providing career development opportunities. Employee development initiatives of mentoring and coaching have a positive effect on employee performance (Gachunga & Wamoto, 2012). If leaders are able to demonstrate these behaviors of individualized consideration, the result will be performance improvement by the organization. Individualized consideration is focused on the managers' ability to pay special attention to each subordinate's need to encourage them and build high sense of accomplishments and career growth by guiding them and acting as a coach or mentor in the process. Through coaching, leaders are able to emphasize job autonomy, task variety and other discretionary workplace activities in the design of employees' jobs. These activities will help to implicitly communicate the leaders'

desire to build the capacity of employees so as to improve their skills and competencies and thus enable them to perform better (Ogbonnaya & Nielsen, 2016). Follower empowerment conveys a strong message from the leader that employees are able and the empowering climate causes transformation in the way they view and perform their work (Spreitzer, 2008).

One of the key ways on how transformational leaders work, is that they deal with their team members as individuals. This is because, they appreciate that followers are unique and so, have specific needs and diverse knowledge. This attribute makes them to be good at maximizing the benefits that accrue from workplace diversity. On the same note, when it comes to recognition, they consider people on a case by case basis. Thus, they are known for establishing organizations that are keen on the continued growth through harnessing the power of workplace diversity. This is realized, argues Babbington (2015), when a culture that creates opportunities for learning is entrenched, yet without forgetting the reality that there will always be differences arising from individuals' behaviors. Transformational leaders also strive to ensure that the working conditions in organizations are acceptable to the majority, if not all. They strive for acceptable working conditions because they are aware that challenging work, absence of wellbeing, multifaceted nature of monotony and lack of self-governance in the occupation, make it difficult for workers to accept working conditions (Ornels & Kleiner, 2013).

Tzafir (2006) found that when parties work together toward a super coordinate goal, relational cohesion increases. Since employee involvement serves the dual purposes of enriching jobs and improving organizational processes and outcomes. Employee involvement is often realized in the form of increased worker responsibility and autonomy. Employee participation systems and internal labor markets that provide an opportunity for employee to advance within an organization and team based production system are all a focus of work organization that have been argued to positively affect organization performance. Transformational leaders disburse personal attention to followers based on the individual follower's needs for achievement and growth (Avolio & Bass, 2002). To do this, the leader acts as a mentor or coach, developing followers in a supportive climate to higher levels of

potential (Bass, 1998). The considerate leader recognizes and demonstrates acceptance of the followers' individual differences in terms of needs and desires.

Valuing employee's contribution may also be achieved through participation. Involvement in decisions provides a sense of ownership of and commitment to both those decisions and the organization (Thang & Buyens, 2011). Clearly, employee involvement processes should engender the perception that the organization values employee contributions. Thus, we predict that involvement increases commitment. Additionally, employee involvement might be perceived by workers as a discretionary positive benefit.

2.3.5 Organization Culture

According to Creswell (2010), a moderating variable is a variable that acts as a go between the dependent and independent variables. This study uses Schein (1985) model of corporate culture as the moderating variable. According to Schein (2010), corporate culture can be defined in three layered model. These levels range from tangible components to intangible components. The top most layer consists of artifacts and symbols that are visible and tangible such as employee badge, employee uniforms, and company logos. The middle layer consists of the values that guide the operation of the organization such as integrity, honesty and confidentiality. The bottom layer consists of assumptions that enable employees to perform tasks such as rules, policies and procedures (Luvison, 2014). This study investigated whether organization culture has any moderating effect on the relationship between transformation leadership and organizational performance.

Culture web was developed by Gerry Johnson and Kevan Scholes in 1992. Culture web provides an approach for looking at and changing the organization's culture in a way that can improve performance. According to Hewitt (2011), by using it, one can expose cultural assumptions and practices, and set to work aligning organizational elements with one another, and with organization strategy. The cultural web identifies six interrelated elements which by analyzing each factor one can begin to see the bigger picture of their culture: what is working, what is not working, and

what needs to be changed. These are stories, rituals and routines, symbols, organizational structure, control systems and power structures.

Organizational culture has a pervasive effect on an organization because it defines who its relevant employees, customers, suppliers, and competitors are, and how to interact with these key actors (Barney, 2012). The culture's intensity or strength, and its adaptiveness are the components that enable organizations to meet the twin demands of internal consistency and external flexibility (Schein, 2011). When employees are made aware of the culture of their company they will appreciate both the organization's past and present system of operation. This gives direction about the way to behave in the future and also promote the organization's way of life by enhancing shared feelings. Therefore, any organization that has a well stipulated culture often works toward common goals and can achieve efficiency because workers share success oriented ideals.

According to Magee (2002) organizational culture is the set of assumptions that members of an organization subscribe to. The assumptions are mainly beliefs and values. Beliefs focus on reality and they come from experience while values are about ideals that are desirable and worth striving for. It is the specific assortment of principles that are shared by everyone in the organization. This in turn controls the way people intermingle with each other and with outsiders. The sharing of these beliefs and values create a business culture (Azhar, 2003). Robbins (2012) views organizational culture as a homogeneous discernment of the organization based on outstanding uniqueness separating one organization from the other.

Stafford and Miles (2013) observed that organizational culture has a high impact on how individuals set personal and professional objectives that empower individuals to carry out objectives which prompt assignments/exercises being undertaken. Furthermore, the ways of life of an organization has an impact in the way individuals deliberately and subliminally think, settle on decisions and whereby they recognize, feel and act. Where the merged organization has a strong organizational culture and smooth cultural integration process, individuals are likely to set smart goals and accomplish their targets at a more fruitful rate but where merged organization has a

weak organizational culture then smart objectives are not set, leading to goals not met, and as a result poor organization performance (Makhlouk & Shevchuk, 2008).

Louise (2012) posits that adaptable strong and unified cultures will approach strategy execution and influence implementation in a positive way by adjusting goals. Objectives can come into alignment when hierarchical organization attempts to concentrate on efficiency and getting the organization's primary mission accomplished and thus increase performance of the organization. This is also connected to Mbuvi (2010) second dimension culture where organization's mission and vision needs to be understood by the employees and incorporate Geert Hofstede's model dimension of a professional culture such that employees are long term directed and externally focused to set up strategies that will increase performance of the organization (Hofstede, 2010).

Culture integration ought to be driven by the Chief Executive Officer at the top, as it starts with the vision of the future. According to Makhlouk and Shevchuk (2008), making the new culture obliges leaders to meet early in the process to recognize desired results of the organization. In the event that cultural discrepancies go unaddressed, the outcomes may include defections and loss of credibility and confidence (Burke & Litwin, 2007). As administration keeps on making and conveying the new culture, it must be predictable and take after a well-thoroughly considered plan. Fruitful performance of organization obliges leaders to vision of the new organization to the individuals in charge of doing it and they must listen to concerns, dispel rumors, set expectations and come clean, otherwise, management will not be seen as being serious about the culture integration and will lose the dedication of the workforce (Hollins, 2014).

Berry (2013) noted that by seeing familiar and trusted leaders empowering positive appreciation moments all through organization, employees will start to see and recognize the important endeavors and commitments from their partners. Strong leadership enhances performance while feeble leadership decreases it (Levine & Fiore, 2014). Leadership is associated with Geert Hofstede dimension level of power distance. In an organization that has low power distance, leaders and administrations

have assigned power to their representatives hence made a situation of trust where workers can approach administration and have talks on issues identified with the organization. This is likely to increase the performance of the association (Hofstede, 2010).

Organizational culture also refers to the beliefs and values that have existed in an organization for a long time, and to the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behavior. Administrators usually adjust their leadership behavior to accomplish the mission of the organization, and this could influence the organization's performance (Tsai, 2011). It is therefore essential to understand the relationship between organizational culture, leadership behavior and organizational performance. According to Stafford and Miles (2013), organizations should continually include employees and specifically address culture during planning by assigning dedicated resources to engage people and start to map cultural differences as they progress. Doing so ensures that employee input is considered and participants become change leaders. They should lead effectively without alienating staff members that might otherwise feel their contributions are not valued (Levine & Fiore, 2014). In an organization that has low power distance, leaders and management have delegated power to their employees thus created an environment where employees can participate in decision making and contribute to major decisions the company has to make regarding its performance (Mbuvi, 2010).

2.3.6 Organizational Performance

The concept of organizational performance is one of the most important dependent variable of interests for researchers concerned with just about any area of management (Richard et al., 2008). Although the concept of organizational performance is very common in the academic literature, its definition is difficult because of its many meanings. For this reason, there isn't a universally accepted definition of this concept. In the 1950s organizational performance was defined as the extent to which organizations, viewed as a social system fulfilled their objectives (Tannenbaum, 1957). Performance evaluation during this time was focused on work, people and organizational structure.

Madrid et al. (2007) posits that high performing organizations are able to generate a variety of society benefits like attracting resources, wealth creation and jobs generation. They further observe that an accurate measure of performance can provide reliable insight into what affects performance and how organizations can develop good strategies, arrange resources, meet consumer expectations and compete. Profit is the ultimate goal of commercial banks. All the strategies designed and activities performed thereof are meant to realize this grand objective. However, this does not mean that commercial banks have no other goals. Commercial banks could also have additional social and economic goals (Alexandru & Romanescu, 2008). In this study, organizational performance was measured using transaction volume, profitability and market share.

Performance is organizational ability in producing something related to desired targets (Kaithen, 2012). Performance is work results achieved by someone or a group of people in an organization, in accordance with their respective authority and responsibility to reach the organizational goal legally, without breaking laws, and in accordance with moral and ethics (Prawirosentono, 2010). The style of leadership affects performance since performance cannot be achieved in the absence of leadership that can adapt to the changes and challenges of the environment, that knows how to motivate employees and that encourages them to take more ownership for their work. Organizational performance involves transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness) (Chen, Barnes, 2006). There is no general agreement in the literature on the criteria to be used in assessing the organizational performance (DeClerk, 2008).

Performance is a multidimensional construct thus any single index may not be able to provide a comprehensive understanding of relationship relative to the construct of interest (Awino, 2011). To explain how transformational leadership influences individual performance, previous researches have mainly applied two distinct theoretical rationales: enhancing members' motivations to achieve both individual

goals, and empowerment involving communication on the importance of individual goals and motivating followers to achieve these goals (Chi & Huang, 2014). Each of the two dimensions of transformational leadership influences performance in a unique way with the overall objective of enhancing positive reactions toward the leader, the resultant effect being that followers are motivated to exceed their performance expectations (Deinert, Homan, Boer, Voelpel, & Gutermann, 2015). Followers, therefore, become more focused, effective, puts in extra effort and is satisfied in identifying with the leader and realizing organizational objectives (Braun, Peus, Weisweiler & Frey, 2013).

According to Osaze and Anao (2000) organizational performance is the extent to which the organization is achieving its goals and objectives. Shell (2010), explains organizational performance as the extent to which the organization is fulfilling the promises it has made to its shareholders. Krietner and Kinicki (2004) observed that managing workforce diversity is very important in harmonizing the differences and similarities of workers so that the organization and the individuals within them can achieve their goals and objectives. Dressler (2006) observed that managing workforce diversity means minimizing diversity's potential barriers such as prejudices and bias that can undermine the functioning of a diverse workforce. According to Dressler (2006), workforce diversity management involves both compulsory and voluntary management actions. This in turn, ensures that employees are motivated, and satisfied with their jobs. Satisfied employees do have a positive impact on organizational due to high levels of service delivery and effectiveness.

According to Richard et al. (2009), organizational performance encompasses three specific areas of firm outcomes. The first is the financial, which includes profits, return on assets and return on investment. The second is product market performance, which comprises of sales and market share. The final area is the shareholder return, which encompasses total shareholder return and economic value addition. Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development. Harold and Kumar (2012), pointed out that in organizational performance index, profitability is a key factor as it drives the sustainability aspect.

However, in pursuit of profitability, diversity should capture practices that involve understanding and appreciating interdependence of humanity, culture, and the natural environment. Diversity emphasizes on practicing mutual respects for qualities and experiences that are different from our own and understanding that diversity includes not only ways of being but also ways of knowing.

According to Berhe and Kaur (2017) some of the key identifiers of performance of any given organization can be through profitability measurement. Other factors to be viewed are the internal or firm specific variables (size of organizations, capital adequacy, leverage ratio, liquidity ratio, and loss ratio) and external or macro variables (market share, growth rate of GDP and inflation rate). According to Momanyi (2014) who did a study on enterprise resource planning system adoption and organizational performance of manufacturing firms in Kenya; firm performance can be measured through the firm's competition from other companies, cost saving and other financial measurements such as total returns. Business innovations, business strategic positioning were viewed to be the major drivers that motivated the organization to improve on their performance over their competitors.

2.4 Empirical Review

2.4.1 Effect of Idealized Influence on Organizational Performance

Nyokabi (2017) sought to determine the effect of idealized influence and inspirational motivation of the Chief Executive Officer (CEO) on the performance of senior managers in the private sector in Kenya. The study adopted the positivism research philosophy and descriptive correlational research design. The target population consisted of 984 senior managers reporting to the CEOs of 183 private sector companies under the umbrella of the Kenya Private Sector Alliance (KEPSA). A sample size of 284 was drawn using stratified random sampling, and data was collected using structured questionnaires. Data was analyzed using descriptive statistics namely frequencies, means, and standard deviation. Inferential statistics were also used in the analysis which included Pearson's correlation, Analysis of Variance (ANOVA) and multiple linear regressions. The study findings revealed that the CEO's idealized influence and inspiration motivation significantly predicted

performance of senior managers. The study presented a conceptual gap since it focused on performance of the senior managers whereas the current study focused on performance of commercial banks in Kenya.

Peter and Kalai (2016) study investigated the influence of principals' transformative corporate leadership style on teachers' job commitment in public secondary schools in Athi River Sub County, Machakos County, Kenya. The study also sought to determine the influence of principal's idealized influence on teachers' job commitment in public secondary schools in Athi River Sub County, Machakos County, Kenya. The study used correlation research design to collect data from principals, deputy principals and teachers in public primary schools in Athi River Sub County. The study found that idealized influence and teachers' job commitment are positively and significant related ($r=0.109$, $p=0.001$). The study concluded that idealized inspiration influences teachers' job commitment. The study, therefore, recommends that there is need for principals in public secondary schools to adopt transformation leadership styles so as to improve on teachers' job commitment.

A qualitative cross-sectional empirical research conducted among middle manager respondents in a United Kingdom Executive MBA program by Warhurst (2011) established that role modeling provides a strong basis for learning especially centered on a leader's values, attitudes and ethical stances. Behavior change was accomplished through day-to-day role modeling. The respondents in the study also indicated that learning occurred more incidentally in their workplaces through positive role modeling. In that study, the respondents remarked that until they began to put together their portfolio of images for the particular research, they had not previously thought about specific individuals influencing their development. The authors concluded that idealized influence enables leaders serve as role models, demonstrate and communicate their ethical values and behaviors to their followers.

In Germany, another study to investigate how individual perceptions by employees of a goal-setting program and personality traits influence job satisfaction and goal commitment using the German version of Locke and Latham's goal-setting model was conducted. Tanja, Bipp and Kleingeld (2011) established that individual

perceptions by employees of organizational vision/mission influences job satisfaction and goal commitment. Using Locke and Latham's goal-setting questionnaire, 97 production employees judged the quality of the goal setting program in their company with regard to goal clarity and vision. The results indicated that goal clarity and vision ensures effective realization of organizational performance targets. One characteristic that makes transformational leadership endearing as a leadership style that leads to performance improvement is the ability for the leader to communicate high performance goal expectations to followers.

Dhamika (2014) studied the likely effect of partisan contrasts of private and open division on the relationship between visionary initiative and organizational citizenship behavior (OCB) among public sector agencies in New Zealand. Theories were conceptualized to demonstrate relationship between visionary authority and organizational citizenship conduct (OCC), and directing impact of partisan contrasts. This study had 250 participating respondents. The results revealed a direct relationship between visionary administration and OCB. As revealed, visionary administration and OCB, both apply in private contexts and the general population. In addition, the study found that partisan considerations moderately affected the relationship between visionary management and organizational citizenship behavior. The study established that improved productivity was realized based on daily-adjusted goal setting and feedback procedure for improving the performance and efficiency of production employees. This was supported by an information system, facilitating goal setting and feedback that acted as a catalyst to the goal setting and feedback phenomena. Celebrating successful attainment of goals has also shown improvement through application of idealized influence among Finnish firms (Brandt, Laitinen & Laitinen, 2016).

Hedman and Valo (2015) conducted a study on communication challenges facing management teams with the objective of developing competent communication practices. The study interviewed managers of international companies operating in Japan, Sweden and Finland. The authors noted that management teams operate in a complex and demanding environment and thus competent communication becomes crucial to realization of performance targets. Communication also affects outcomes

that are important for top teams and the more communication that occurs among top managers, the greater the organizational performance. Communication frequency reduces perceptual differences among management teams and is important in resolving cognitive differences and building clarity around shared goals and vision.

In a study to explore the idealized influence of manager leadership styles on employee intrapreneurial behavior from 186 employees belonging to several Spanish public and private organizations in Spain, Moriano, Molero, Topa and Mangin (2014) established that transformational leadership showed a positive impact on employee intrapreneurial behavior. Using partial Least Squares modeling to analyze data, the authors found that subordinates embraced intrapreneurial initiatives from the leaders including championing of innovative ideas, providing necessary resources or expertise, or supporting small experimental projects. They recommend the need for leaders to explore ways of intellectually stimulating their followers through challenging old work patterns arguing that managers play a vital role in encouraging and supporting the initiatives of individual employees to explore new opportunities, to develop new products or to improve work procedures for the benefit of the organizational.

In a study by Liang, Ndofor, Priem and Picken (2010) among CEOs or presidents of 32 organizations located in a major Southwestern metropolitan area in USA. Organizational performance was found to be dependent in part on how well ethical behavior of senior management. The authors recommend that since the business operating environment is getting more and more dynamic, there is need to improve ethical standards among top managers as a way of improving performance. Nguni et al. (2016) studied how strategic intent and its dimensions related to organizational performance. The design of the survey was a cross-sectional survey among listed firms in Nigerian Stock Exchange. Two hundred and one respondents made up the study sample. It was noted that strategic intention and its dimensions (objectives, mission, and vision) significantly and positively related to organization performance. In Ghana, Darbi (2012) explored the level of knowledge and ownership of employees about vision, mission and the influence of organizational mission statement on their behavior and attitudes. He studied public but for profit tertiary institutions in Ghana.

The results indicated that most employees had the firsthand knowledge of the mission and vision statements; and this was directly linked to how organizations performed.

Studies on productivity have shown a positive effect on the relationship between goal setting and performance in the private sector. Productivity is a major area of concern for manufacturers in a globally competitive market. In studies related to the influence of goal setting on performance in the private sector, Stansfield and Longenecker (2014) conducted a field experiment in a manufacturing organization in the USA with the objective of developing a model of efficient and effective goal setting and feedback practices that positively influences productivity. The study established that improved productivity was realized based on daily-adjusted goal setting and feedback procedure for improving the performance and efficiency of production employees. This was supported by an information system, facilitating goal setting and feedback that acted as a catalyst to the goal setting and feedback phenomena. Celebrating successful attainment of goals has also shown improvement through application of idealized influence among Finnish firms (Brandt, Laitinen & Laitinen, 2016).

Wilderom, Berg and Wiersma (2012) researched the combined impact of charismatic leadership and organizational culture on commercial banks in Netherlands. They collected data from one thousand two hundred and fourteen staff from forty-six bank branches. They assessed areas such as charismatic initiative, work culture and philosophy, and aspects of authoritarian management. The outcome of that study pointed out that charismatic leadership increased organizational financial returns among the commercial banks surveyed. Leaders who exhibit idealized influence make followers endeared to them, and that followers like to be identified with them (Das, Arora & Singhal, 2000). Hepworth and Towler (2014) investigated the effects of individual character attributes of workers and charismatic leadership occurrences of aggression in the place of work. They collected data from 213 respondents sampled from a variety of organizations in Europe. They found that that humor was an attribute that charismatic leaders applied to psychologically influence the followers. Besides, the findings showed that both the leader and followers enhanced

performance of organization if they consistently manifested positive emotional energies.

Hayati (2014) carried out a study to determine the effects of idealized influence and its components on work engagement among hospital nurses. A descriptive, correlational, cross-sectional design was used in the study where 240 nurses were chosen by stratified random sampling method to fill related self-reported scales including Multifactor Leadership Questionnaire (MLQ) and work engagement scale. Data was analyzed according to the statistical method of simple and multiple correlation coefficients. Results showed that there is a positive and significant effect of transformational leadership on work engagement and its aspects. Idealized influence among the leaders was found to result in forming a particular belief among members of staff toward those leaders and hence leaders can easily transmit their inspirational motivation to them. As a result, idealized influence sets high standards and creates a positive vision which challenges employees and establishes enthusiasm together with optimism for attaining success in work. The study recommended that leaders and managers should be helped in developing ideal qualities that develop leadership behaviour that is effective and active (Hayati, 2014).

Conger, Kanungo and Menon (2010) conducted a study among Indian organizations to find out the relationship between admiration and respect of the departmental leaders and the performance of their subordinates. The study considered aspects such as respect, trust, and a sense of personal fulfillment. Their study outcomes demonstrated a positive relationship between admiration and respect and better staff outputs. Follower trust and fulfillment are normally interceded through leader veneration. There is reasonable evidence that idealized influence impacts on the performance of an organization, especially by enhancing the dedication of employees and engagement at the place of work. Iqbal, Anwar and Haider (2015) examined the influence of leadership style on employee performance of AL-Ghazi tractor factory in Pakistan. They used the descriptive approach and focus groups discussions. The results of the study proved that idealized influence has a significant and substantial influence on the performance of employees in the factory. This study focused only

on one factory in Pakistan and used focus groups and interviews to collect data. It was more of a qualitative study as opposed to quantitative.

Amir (2010) conducted a study to establish the impact of implicit rules and morals on fiscal policy implementation in Uganda's Ministry of Education and Sports (MoES). The objectives that guided the study were: to survey the structure of Code of Ethics and Conduct for the Ministry of Education and Sports; to establish the relationship between the Code of Ethics and Conduct and the existing budgetary performance of the Ministry of Education and Sports. The cross-sectional research outline was chosen for the study since it adequately enabled collection of data from a representative sample. The study established that there is a significant positive relationship between the application of code of ethics and conduct and whether or not fiscal policy was adhered to within the Ministry of Education of Sports.

Toor and Ofori (2009) in their study on ethical leadership and mirrored their findings with those of organizational leadership among the manufacturing firms in South Africa. They examined relationship between leadership and employee outcomes with organizational culture as a moderator. Their findings showed substantial similarities, which led to the conclusion that leaders exhibiting idealized influence traits, would also be practicing ethical leadership. Quintana, Park and Cabrera (2014) conducted a study to examine the effect of transformational, transactional, and non-transactional leadership on hotel employee performance among four-star hotels in Barcelona, Spain. The findings showed that transformational leadership significantly influenced the outcomes on employee performance in regard to extra effort, perceived efficiency, and satisfaction with managers. The results of the study revealed that idealized influence of transformational leaders are the most important factors that positively influence outcomes on extra effort, perceived efficiency, and satisfaction.

In an investigation of the multilevel interactive effects that CEO leadership behaviors have on middle manager's performance in China, Song, Zhang and Wu (2014) established that task-oriented CEOs could promote middle managers' capabilities through positive vision articulation. The CEO does this by providing strategic guidelines thus providing clarity to managers on task specifications and role

expectations. Using a leadership scale that comprised vision articulation as one of the six categories of CEOs' leadership behaviors, the others being monitoring, risk-taking, communicating, caring, and authoritativeness. The authors established that task oriented CEOs are very effective in clearly defining the vision of the organization and in ensuring implementation of strategy.

Yang (2014) conducted a study to evaluate the influence of leadership style and employee trust in their leaders on job satisfaction in four large insurance companies in Taiwan. Using hypothesis testing and structural equation modeling, the authors established that the effect of transformational leadership on job satisfaction was mediated by leadership trust. The study highlighted the importance of leadership trust in role modeling, and provides managers with practical ways to enhance their followers' job satisfaction through modeling the behaviors they would like to see in their followers. According to Dionne (2014), transformational CEOs also have the capacity to inspire their executive peers to foster mutual trust thus enhancing the ability of the CEO to have positive influence on the senior managers.

Rawat (2015) carried out a study among the tier one tech-firm in India. The study focused on assessing the impact of transformational leadership over employee morale and motivation. The study found that all the respondents were of the view that objective communication of feedback on performance can build or break an employee. Sooksan (2013) investigated relationships between the attributes of a clearly articulated vision (stability, brevity, clarity, customer and staff satisfaction) and performance as measured by the client and staff satisfaction metrics, in Sydney, Australia. Results gave credence to the need for vision casting and re-casting. Sooksan and Parisa (2013) studied the relationships between employees' commitment and satisfaction, and how that influenced the performance of organizations in Thailand. The findings revealed that when factors that enhance employee satisfaction are entrenched in an organization, employees' commitment significantly improved. This improvement had a direct contribution on overall performance of the organization.

According to Ngaithe, K'Aol, Lewa and Ndwiga (2016) the performance of state owned enterprises in Kenya is also a derivation of idealized influence and inspirational motivation. The study found that idealized influence had a positive and significant effect on performance of staff in Kenya SOEs. These findings also correlate with Nguyen and Nguyen (2014) findings who found that transformational leadership influences individual job performance. The study found that inspirational motivation had a positive and significant effect on staff performance. Juma and Ndisya's (2016) along the same lines, indicated that inspirational motivation had significant changes in employee performance in Safaricom Limited. The studies thus concluded that idealized influence and inspirational motivation both have a positive and significant effect on staff performance of commercial and strategic state owned enterprises. It is therefore imperative, for the board to promote a broad, inclusive vision, to show strong commitment to goals, and to create trust and confidence in employees in order to increase staff performance. They should be resilient in inspiring their employees in order to enhance their outcomes and enable them achieve organizational goals by challenging them to leave their comfort zones.

Njiraini, K'Aol and Linge (2018) by correlating the two showed that idealized influence and inspirational motivation have a significant impact on job satisfaction among employees in commercial Banks in Kenya. They therefore, recommended that leaders in the commercial Banks should leverage on idealized influence and inspirational motivation to drive job satisfaction. Additionally, they should ensure employees feel they have job security because it has a significant influence on job satisfaction. Abouraia and Othman (2017) acknowledged that the success of an organization largely depends on the style of leadership of the management. Organizational success is characterized by employee job satisfaction and employee affective commitment. This is achieved through effective leadership which precipitates the attainment of employee motivation and clear understanding of the organization's objectives. To enhance job satisfaction scholars have argued that leadership must provide motivation, inspiration and good remuneration to the employees, all of which have a combined effect of low attrition rates and decreased absenteeism.

Likewise, in a case of small and medium enterprises in Kenya Ogola, Sikalieh and Linge (2017) sought to find out the influence of idealized influence leadership behavior on employee performance. They drew conclusions that idealized influence leadership behavior and employee performance in SMEs in Kenya had a strong positive and significant correlation as well as a positive and significant association. It was concluded that whenever a leader wins the trust of the staff by practicing high ethical values and acts as a role model to the employees, the employees will feel attached and drawn to the charismatic leadership style and this will positively affect employees work and hence high performance levels. Therefore, as a leader, it is critical to practice idealized influence so as to motivate the employees to perform at their best. In addition, it was recommended for the need to initiate and inculcate inspiration as a means of adopting the transformational leadership style, so as to effect outstanding employee performance. This was clear from the study that employees perform better when the leader is trustworthy, has ethical values, acts as a role model and encourages employees to take risks.

Leaders mostly concerned with their own advancement do not inspire selflessness in others. Leaders should internalize a strong set of ethics and a system of moral values (Hughes et al., 2006). Gardner (2010) and Burns (2013) put great emphasis on the centrality and importance of the moral dimension of leadership. Gardner argues that leaders ultimately must be judged on the basis of a framework of values, not just in terms of their effectiveness. Leaders should always treat others as ends in themselves and not as objects or mere means to the leader's ends. Burns maintained that leaders who do not behave ethically do not demonstrate true leadership. Whatever true leadership would mean, most people would agree that it would be characterized by a high degree of trust between a leader and followers. Bennis and Goldsmith (1997) describe four qualities of leadership that engender trust. These are vision, empathy, consistency and integrity. Followers tend to trust leaders who create a compelling vision.

A leader should indicate shared beliefs and a common sense of organizational purpose and belonging. Followers trust leaders who demonstrate empathy with them and leaders who show they understand the world as followers see and experience it.

Followers trust leaders who are consistent. This does not mean that followers only trust leaders whose positions never change; but that changes are understood as a process of evolution in light of new evidence (Kirkpatrick & Locke, 2006). Lastly, followers trust leaders whose integrity is strong, who demonstrate their commitment to higher principles through their actions. Values are constructs representing generalized behaviors or states of affairs that are considered by the individual to be important (Gordon, 2013). Someone who values personal integrity may be forced to resign from an unethical organization because values play a central role in a person's psychological makeup, they have a profound effect on leadership (Hughes et al 2006).

Ansar et al. (2016) investigated the impact of charismatic leadership style on organizational effectiveness. The study targeted 100 employees from the telecommunication industry in Pakistan. The study made use of quantitative research method. Data was collected using questionnaire. Analysis of the data indicated that charismatic leaders motivated their employees and as a result enhanced employee commitment to the organizational goals. Further analysis indicated that charismatic leaders were able to identify skills and abilities that their employees had and used this to match the skills and abilities with organizational tasks. This resulted to employee's improved productivity increasing as well as commitment to the assigned tasks increased. The study, therefore, concluded by asserting that charismatic leaders enhance organizational effectiveness and positive organizational outcomes such as organizational commitment.

2.4.2 Influence of Inspirational Motivation on Organizational Performance

Kimeto (2017) study sought to establish the influence of inspirational motivation and intellectual stimulation on organizational commitment in commercial banks in Kenya. The study adopted the positivist research philosophy and descriptive correlational design. A sample of 150 was drawn from a population of 240 senior managers of the 40 commercial banks of Kenya using stratified random sampling technique. Data was analyzed using inferential statistics such as Pearson correlations, Chi Square, ANOVA and multiple linear regressions. The study findings indicated

that inspirational motivation and intellectual stimulation significantly predicted organizational commitment. The study recommended the need for policy development initiatives aimed at improving employee commitment and performance in the banking industry in Kenya. The study presented a conceptual gap since it focused on organizational commitment whereas the current study focused on organizational performance.

Ndisya (2016) examined the application of components of transformational leadership at Safaricom in Kenya. The author used structured questionnaire and proportionate stratified sampling was used to collect data from a sample size of 109 respondents. The study found a positive relationship between inspirational motivation and staff performance. Respondents on average mostly agreed with the presence of motivation to accomplish organizational goals and objectives, support for team building, leader's demonstration of the tasks employees should do, and assisting employees find meaning in their work. The research concluded that changes in the inspirational motivation had significant changes in employee performance such that when inspirational motivation increases, there would be a similar increase in employee performance.

Burns (2008) authoritatively pointed out that leadership cannot be considered transformational in the minimal or absence of productive interactions and pulling together. He went further to emphasize that, for progressive change to be realized, there must be more than average productive interdependencies. This is significant because leadership that is regarded as transformational has no choice, but to bring out the best in employees within the context of teams. It is because of this, that transformational leaders are inundated with the responsibility of entrenching value-based collaboration as a key attribute of the organizational culture. Leaders, who are transformational, give priority to both personal and team development as a foundational prerequisite for excellent organizational performance. With this perspective, however, Wang and Howell (2010) strongly point out that leaders should entrench a culture of proactive collaboration within and between teams. The nature of collaboration should be structured such that incentives for motivation are properly articulated. Boakye (2010) analysed the impact of teamwork on

organizational performance on the employees of Komfo Hospital in Nigeria. From the study findings, teamwork had the greatest sway on overall organizational performance. The results further revealed that cooperation among employees and interdepartmental collaboration was positively and significantly correlated.

Studies of transformational leadership indicate that transformational leaders not only inspire each follower to perform better, but also motivate their followers as a collective to achieve positive group outcomes (Kearney & Gebert, 2009). Thus by encouraging team spirit among members of the senior management staff, CEOs can enhance the salience of collective identities in the self-concepts of top executives, which in turn increase the probability that they will engage in cooperative behavior to work toward a collective goal rather than toward their own personal or individual agendas. It therefore benefits the CEO as the team leader to promote team spirit and team cohesiveness among members of the senior management team.

Dimitrios (2015) measured the levels of employee satisfaction and job autonomy among banks in Athens, Greece. The study used Boomer's (2012) Employee Satisfaction Inventory tool. The areas of assessment included working conditions, salary, promotions, and the nature of work. The study found that employees perform better when given higher autonomy. Shalini and Ira (2013) analysed the impact of authoritarian leadership on the efficiency of government parastatals in Myanmar. The findings revealed that there were fluctuations in organizational efficiency and hence performance. Empowered employees tend to be more satisfied with their jobs because they have more control about what they are doing (Clark et al., 2009). One of the surest ways of making employees feel empowered is by giving them adequate job autonomy.

Sadeghi and Pihie (2012) conducted a study among 298 permanent lecturers in Malaysia Research Universities. Among the dimensions of transformational leadership, inspirational motivation received the highest mean score. It was revealed that leaders need to be good communicators for them to be able to package and convey their vision to followers and thereby motivate reciprocal action towards realization of intended goals (Daft, 2014). In the communication process, the leader

is also able to engage with the followers to identify their challenges and areas where they require support in their course towards better performance outcomes. It is through communication process that goals are conveyed and the expectations of the leader towards the follower are synchronized (Yukl, 2012).

According to Mutimba and Kanyua (2017) regarding the influence of motivation on employee productivity in the banking sector in Kenya, motivation leads to improved productivity in the Banking Sector by improving employer-employee relationship, rewards build and sustain the commitment among employees. Training and development play an important role in the effectiveness of the organization and the people at work. This relationship also extends further within the employees themselves. Since they are motivated and feel attached closely to their employers, they are able to share their sentiments and grievances openly to the employer and the solutions be generated on a consensus platform. This approach strongly encourages the team work between the managers and the employees as well as between the employees themselves. The study thus concluded that motivation improves overall productivity. It recommended that the Banking Sector introduces a more competent strategy for rewarding their employee. Training and development should be a practice employed on all employees regardless of their seniority.

Omollo and Oloko (2015) established the influence motivation of the managers has on employee performance of commercial banks. The study acknowledges that extrinsic motivation results from the attainment of externally administered rewards, including pay material possessions, prestige and positive evaluation from others. The study thus drew conclusions on the effect of team building which was found to be very crucial for the wellbeing of the employees. The results noted that team work is instrumental in helping employees to bond better with one another hence better working relationship amongst employees. This allows for the pursuit of one course of action and a good team work with the management also means that the company is in one accord towards the set mission and vision. It was concluded that employees loved team buildings and felt that they were very necessary for their motivation.

Inspiring managers according to Abusharbeh and Nazzal (2018) also act as givers and providers of hope to employees about the future of the company. They bridge the gap existing between reality and the expected outcome by encouraging the staff to put in unending effort which will be rewarded accordingly. In their study to examine the impact of motivations on employee's performance in Palestinian banking industry, they state that motivation aims to empower and liberalize people so as to enhance their entrepreneurial abilities to recognize the interactions between humans and their abilities to work. The study thus empirically revealed that moral motives are significant and positive in predicting the performance of employees. Furthermore, it was discovered that motivations provided to employees in Palestinian commercial banks led to the increased productivity of the employees.

Waiyaki (2017) investigated the effect of motivation on employee performance at Pam Golding Properties Limited, Nairobi. The census technique was used in the study to select the respondents from the list of employees provided by the human resource department in order to capture the entire population, thus, the sample size of the study was 50. It was revealed that the management of Pam Golding Properties partially used motivational goal-setting to motivate their employees which allowed the employees to be involved when setting goals, although they did not find them challenging or difficult at all, despite them being specific. However, there was limitedness in constant training and development for the employees to improve their key skills and knowledge. As well, mentorship program for employees either during on-boarding or to achieve their goals was found to be limited. However, despite the shortcomings, the study provided recommendations that the management need to re-structure the goals they provide and implement mentorship and training programs

Femi (2014) examined communication and worker performance in Nigeria. The study involved the collection of data from a population sample of 120 respondents. The results of the study demonstrated that an average relationship exists between successful correspondence and individual work performance leading to organizational profitability. Mutuku and Mathooko (2014) did set out to find how the nature of communication by middle level managers impacted Nokia employees in Kenya. The study established that, just like other studies have demonstrated (like that

of Femi (2014), the nature of communication has a lot to contribute to the motivation of employees, and their performance outcomes.

2.4.3 Influence of Intellectual Stimulation on Organizational Performance

Samaitan (2014) study examined the impact of leadership style on organizational performance in commercial Banks in Kenya. Census survey sampling technique was adopted and relevant primary data was gathered with the aid of a structured questionnaire administered on respondents. Pearson correlation was used to examine the relationship between leadership style dimensions and organizational performance. Findings showed positive and negative correlation between leadership style and organizational performance. It was also found that leadership style behaviors predict organizational performance. The study concluded that intellectual stimulation behaviors should be employed by the Banks' management in order to perform stronger in the competitive environment. The study presents a conceptual gap since it did not address the objectives of the current study.

To spur innovation at the leadership level, Feng, Huang and Zhang (2016) noted that the leader must be proactive by developing adequate plans and schedules for generation and implementation of new ideas. Leadership can enhance senior management's tendency to contribute to the organization's creative process by openly sharing their knowledge with their peers. The study conducted among middle and senior-level managers in 43 companies working in the manufacturing, financing, information technology, and geological exploration sectors, the authors established that transformational leadership was positively related to the managers' innovative behavior.

Mwesigwa and Namiyingo (2014) indicate that leaders who are open-minded tend to intellectually influence their subjects. Such leaders will want to challenge the norm and make a case out of every argument; this encourages their subordinates to intellectually challenge themselves more. With more cognitive thinking, the people are able to gain more knowledge, which helps to better their lives. Transformational leaders are always in the forefront to challenge assumed information. They make sure that every bit of fact has been argued to satisfy its validity. Such leaders

encourage people to think critically and make mistakes as it is the only way they are able to learn new ways of doing things (Ul Hassan, Malik, Hasnain, Faiz & Abbas, 2013). With such encouragement, employees are able to venture more into the unknown and hence discover new potential.

Utami (2013) sought to determine whether the intellectual stimulation can influence innovation which is mediated by knowledge sharing, and whether innovation can improve organization's performance. The model tested on the 56 owners of Small and Medium Enterprises (SMEs) in Tegal, Indonesia. Utilizing purposive sampling technique, with the following criteria; company has a workforce of 5 to 100 people, engaged in the metal and machinery industry, not including to foreign-owned companies. Software analysis techniques PLS (Partial Least Square) were used in this research. The final results indicated that there were positive effects on intellectual stimulation, experiential sharing and explicit knowledge sharing; explicit knowledge sharing has a positive effect on product innovation and product innovation has a positive effect on business performance. While experiential sharing has a positive effect on product innovation, it is not significant. This study results link the use of transformational leadership to better organization performance.

Zhou (2012) investigated the effects of transformational and transactional leadership, and organizational commitment on the employee's job satisfaction and job performance. Data were collected through a questionnaire from 400 employees in Bangkok. Multiple regression was used in the study to analyze the data. Results showed that transformational and transactional leadership had direct relationship with the employee's job satisfaction and job performance, and the organizational commitment also had the positive effect on the employee's job satisfaction and job performance. The study revealed that intellectual stimulation and idealized influence had an effect on intrinsic job satisfaction.

Khalil, Zada, Tariq and Irshadullah (2018) did a study on the impact of Intellectual Stimulation on Employees' Job Satisfaction. According to them, emphasis is put on the idea that satisfied organizational members may perform their function better. By quoting Illies et al. (2009) they describe employees' full satisfaction just as one

mind-set in which pertains to all round thinking in direction of existence or even life satisfaction and also help in exhibiting excellent service. The results of Rich et al. (2010) analyze that job engagement and job satisfaction is usually a couple of unique and remarkably correlated issues. Pertaining to the hypothesis, the study showed that intellectual stimulation has a statistical relationship with employee job satisfaction. This indicates that when leaders motivate creativity and innovative tactics to problems, the employees become challenged and thus endeavour to emulate leaders. These leaders thus form role models. Moreover, leaders would enhance worker's jobs and giving a developed wisdom of challenge and accomplishment. Job rotation, job training, re-assigning supervision and short-term advancement till the worker has accomplished the achievement of new mission allotted are amongst the effective consequences that might be attained.

Ndwiga (2016) also state that in order for a corporation to achieve and maximize on the benefits of transformative leadership, the management has to inspire and motivate their followers so as to increase performance. This was drawn from the conclusion that intellectual stimulation has a positive and significant effect on staff performance of commercial and strategic state owned enterprises. In order to improve the staff performance, managers of commercial and strategic SOEs in Kenya ought to nurture subordinates' creativity, allow them challenge the status quo, aspire for regular innovation, empower staff to disagree with leadership and allow employees to take risks when necessary in order to achieve goals. Also, managers who attend to each subordinate's needs, mentor or coach the employee. This can be achieved by the innovative nature of the managers to stir up the thinking of the employees. And thus top management team should also reduce/remove uncertainty, power distance and create a culture of collectivism in order to improve staff performance.

Utami (2013) likewise made interesting discovery about intellectual stimulation and its effect on knowledge sharing, innovation and firm performance. The results indicate that there are positive effects on intellectual stimulation, experiential sharing and explicit knowledge sharing; explicit knowledge sharing has a positive effect on product innovation and product innovation has a positive effect on business

performance. As experiential sharing is seen to have a positive effect on product innovation the study acknowledged the managerial implications, the psychological barriers that prevent employees sharing knowledge and experience which can be enhanced through intellectual stimulation by transformational leaders, in this case the leader to be a role model that can be replicated and duplicated by subordinates or employees.

Utami (2013), therefore, advises top managers to support the spread of organizational knowledge since it is a continuous transformational leadership process through which intellectual stimulation can be achieved. Transformational leadership is built on high-quality exchange relationships between leaders and members have an important role in the development of relational identification of employees and organizational identification, which in turn will increase knowledge sharing activity (Carmeli, Atwater & Levi, 2011). The Intellectual stimulation, inspirational motivation and confidence among members of the organization is seen to be an encouragement to organizational learning which is positively related to team performance.

2.4.4 Influence of Individualized Consideration on Organizational Performance

Teymournejad and Elghaei (2016) studied a population of 500 managers and employees of Maskan Bank in Tehran to determine the effect of transformational leadership involving idealized influence, intellectual stimulation, inspirational motivation and individualized considerations on organizational creativity of employees. The study found that Transformational leadership as a whole and each of its dimensions, idealized influence, intellectual stimulation, individualized consideration and inspirational motivation to have a significant and positive effect on creativity of Maskan Bank employees. The study recommended that to play a more effective role, transformational leadership should proactively focus on creating institutional structures that support innovation and creative processes by creating vision, leaders letting followers to commit to the goals, establishing relationships between employees and letting them fulfill their deepest demands and achieve their

goals. The study presented a geographical gap since it was conducted in Tehran. The current study was done within the Kenyan context.

In a study to investigate employees' perception towards performance appraisal in Guaranty Trust Bank in Nigeria Akinbowale, Jinabhai and Lourens (2013) established that performance appraisal is useful for establishing employee development needs and for career pathing in the organization. Additionally, Mayfield et al. (2016) recommend that top leaders in today's globally turbulent environment must continually re-align and develop their organizations to achieve and sustain competitive advantage. They advocate for three approaches to career development of executives, namely talent inventories, workforce planning and training and development, which should be incorporated into strategic organizational change and innovation initiatives to achieve competitive advantage

Cox and Jackson (2010) note that leaders who succeed believe they have the skills and experience necessary to coach their employees. They perceive self-efficacy and the right skills to establish trust and build good relations with their employees. Most importantly, these leaders really care about their employees and truly want to help them succeed. They emphasize learning as a key element of coaching. Learning is most effective when it is integrated as part of the work; employees receive feedback and are encouraged to learn by themselves. In the coaching relationship, CEOs enable members of the senior management team to focus on gaining clarity about the results to be achieved and how to make them happen. It builds on the philosophy of trust, relationship, collaboration, but focuses this philosophy on helping the executive clarify and to achieve his goals.

A leader focuses on the following key aspects of executive coaching critical to senior management development: identifying areas in which they need more training, suggesting ways to improve performance, encouraging team problem solving, encouraging information exchange, supporting initiatives and not always watering them down, focusing the management team on goals, and developing good relations among them (Barine & Minja, 2014). Talent inventories systematically capture valuable knowledge about the employee capabilities required to fulfill strategic

objectives. Workforce planning should focus on setting strategies and goals for shaping the future organizational workforce, which is a vital component of competitive advantage. The process ensures that any talent gaps across the organization are identified and proactively addressed through recruitment, selection, development, retention, reward and internal promotion and transfer policies.

Ayacko (2017) in his study investigated how organization structure moderates the influence of individualized consideration of judicial officers on the performance of judicial staff in Kenya. The study adopted a descriptive correlational research design. The target population of the study consisted of 770 judicial staff in the Kenyan Judiciary. The study used stratified random sampling technique to select 385 judicial staff from High Courts and Magistrate Courts in Nairobi County. Bivariate correlations were used to establish the relationship between the study variables, while ANOVA was used to examine variability. Besides, the strength of association between the variables was determined using Chi-square tests, while the predictability of variables was analyzed through regression analysis. The study found that individualized consideration of judicial officers significantly influenced the performance of judicial staff, both with and without the moderation of organization structure. The study presents a contextual gap since it focused on the Judiciary while the current study focused on commercial banks. Further, there exists an objective gap since the study only addressed one aspect of transformation leadership being individualized consideration. The current study focused on three more aspects of transformation leadership namely; idealized influence, inspirational motivation and intellectual stimulation.

Darwish (2010) examined the delegation of authority as the best method to raise the efficiency of job performance. The research aimed to diagnose the actual reality of the exercise of the powers delegated by the organization and its impact on performance efficiency. The findings revealed that when power is delegated within the context of organizational structures, the job performance efficiency is enhanced, albeit progressively. The seal of good supervision is effective delegation. Delegation is when supervisors grant responsibility and authority to employees in an effort to complete assigned tasks. Successful delegation helps to shape people into individuals

who are eventually more fulfilled and productive. Swinton (2010) gave reasons that if a supervisor strives to achieve a balanced work life, it is important to have good skills at delegation. Managers become more fulfilled and productive as well as they learn to depend on their employees.

Kyalo (2015) assessed the impact of work diversity qualities on employee performance in the banking business in Kenya. He also assessed the impact of training on workplace diversity mechanisms, ethnic variances, gender differences, and age on employee performance in the banking business in Kenya. The study target population was the mid-level managers working at the headquarters of all the 43 business banks in Kenya. This study utilized stratified random sampling to choose 30% of the commercial banks. The sample size of the study was two hundred and twenty one mid-level managers. Semi-structured survey questions were used as a part of the research study to gather essential information. Illustrative insights including frequencies, rates, mean and standard deviation were used to examine quantitative information. The information was then presented in tables and charts. The study established that gender differences were affecting performance in the banking business. This was followed by training on diversity mechanics and ethnic variances. The study recommended that working environment, diversity attributes, and administration practices ought to be entrenched to enhance expected performance (Buckingham, 2012).

Munjuru (2012) studied the influence of workforce diversity management on the performance of employees within Kenya's banking sector. The study revealed that the banks had methodologies, for example, adjusted enrollment, support to sub-branches, differing qualities preparing and parallel livelihood openings. Other than a representative's level of training and execution capacity, there were no other workforce differing qualities that decided a worker's remuneration. Workforce diverse qualities were found to influence representative execution at different levels considering both administrators and non-administrative representatives of the bank. The heads exhibited a more noteworthy influence, while the impact was less among the non-administrative workers.

Zhang, Song, Tsui, and Fu (2014) in a study targeting 171 top managers in Chinese stateowned, foreign-owned, and private-owned firms, established that middle managers who are expected to make contributions feel a sense of psychological empowerment and empowering organizational climate relates positively to middle managers' work engagement, effective commitment, and job performance. Empowering leadership facilitates in making a job more meaningful to employees thus, managers in highly empowered work settings are likely to be more engaged in accomplishing tasks consequently reducing counterproductive behavior among employees. Empowering leadership has been identified as leading to improved employee performance.

Nzelibe and Yasar (2015) examined the effects of transformational leadership on career development, workplace diversity coping, commitment, and performance at both the individual and at the organizational levels. A survey study was conducted at the Armorp Nigeria Limited, using a sample of 280 employees. The study sought to investigate specifically the mechanism through which transformational leadership influences employee's commitment to their job schedules as well as to the organization. Six propositions which explained the relationships among the variables in the study were postulated, five accepted and one partially rejected. Pearson correlation, one-way analysis of variance, multiple regression analysis, and chi-square were used in the analysis of data. The results suggested that transformational leadership directly affected employee's satisfaction, career development, workplace diversity and commitment to organization. However, employee's coping with workplace diversity was not significant as other intervening variables were at work. The regression analysis revealed that the best indicator of employee development is workgroup supportiveness.

Ben-Hador (2016) examined organizational perceptions regarding the coaching process as an evaluation tool for improving performance of senior managers. The research method used was multiple case studies based on the author's work with coached executives in eight organizations in three sectors IT, service and industry in Israel. The research findings provided evidence of the intensity of the coaching practice as a tacit evaluating tool for organizational functioning, in relation to five

focus areas: the selection of executives for the coaching meetings, the respondents' perception of their participation in the coaching process, the organizational control wishes, how participants deal with organizational supervision and confidentiality. From this study, it emerged that coaching is a process used for executive development.

Alizera, Ali, Jafar and Sona (2012) explored the relationship between employee stress and work environment among information technology firms in Bangladesh. They found out that the nature of the conditions at the place of work, fueled employee stress levels even if the actual stress could have been triggered by other contributing factors. Borndoff (2015) noted that right stress management, ought to begin from enhanced employee wellbeing and continuous improvement on the conditions of the place of work. This, he says includes not only the physical workplace conditions, but also the nature of existing interpersonal interactions. The anticipation and administration of working environment drive require authoritative level mediations since the nature of people interactions have a potential contribution to stress levels. Organizational performance outcomes are influenced in part, by the mental state of the employees as well as the quality of prevailing relationships and interactions. A culture of openness, honesty and constructive feedback is vital.

Tahir (2015) investigated the various leadership characteristics of transformational and transactional leadership and empirically analyzed the effect of each type of leadership on career development. This study considered a sample of 800 respondents who were interviewed. In regards to the transactional leadership, the study concluded that the individual consideration does not have significant effect on career development. The study concluded that transformational leadership has a significant positive effect on career development and hence organizational performance.

Crompton (2012) examined the effects of mentorship on SME performance and growth. Findings established linkages between mentorship and employees' level of confidence, and identified that mentorship, as an antecedent to employee level of confidence (self-efficacy), is a non-direct influence of organization performance and

growth. The findings demonstrated clearly the importance of qualitative approaches by identifying that mentorship experience and knowledge, in addition to trust engendered throughout relationships are as important to outcomes as so called hard, bottom-line results. Moreover, the findings suggested that firms and entrepreneurs who engage mentorship report deriving practical benefits that culminate in real firm employee performance.

Pradeep and Prabhu (2011) conducted a comparison between selected public and private sector enterprises with data comprising of 43 middle- level managers and 156 subordinates with the aim of exploring the relationship between transformational, transactional, laissezfaire leaderships and employee performance through correlation and regression analysis. The results indicated that the transformational leadership style has significant relationships with performance outcomes. Further, the individual consideration offered to every subordinate by the leaders tends to increase the effectiveness and satisfaction level of employees at 1 percent significance level. However, the study depended on selected few organizations and as such a larger domain of study would definitely further enlighten on the various elements studied. Recognition has been found over the years to be one of the policies organization can adopt to increase their workers' performance and thereby increase the organizations productivity (Meyer & Peng, 2006).

Rahmisyari (2015) in his study on the effect of leadership styles, organizational culture and employee development on performance found that leadership style has a significant and positive effect on employee development. He also concluded that leadership style encourages the employees' development to improve employee ability at the organization. Employee development has positive significant effect on employee performance. According to Harter, Schmidt and Keyes (2003), when employees are provided with the opportunities, where they are encouraged to grow and progress intellectually, it results in work effort. Encouraging employees to grow helps employees learn new things and leads to positive emotions, which filter through the holistic organization.

Elgelal and Noermijati (2015) conducted a study aimed at investigating the effect of direct transformational leadership on employee motivation, jobs satisfaction, and employee performance with focus on all employees at FEB UMM. Data was collected using questionnaires with Likert scale and the analysis was carried out using Partial Least Square (PLS). The results of the analysis conclude that the employee motivation has no significant positive effect on the employees' performance. Intellectual Stimulation was however found to be the main indicator determining transformational leadership and thus managers who encourage employees should be able to solve problems carefully, and then encourage employees to act creatively.

Kiima (2015) views career development as a scheme formulated to enable every staff of any given corporation to scale to new heights in his/her occupation. It is a design set to make the members of an organization to grow, advance and develop. In his study on the effect of training on career development of employees in an organization, Kiima (2015) took a keen interest in the case study of Equity Bank Kenya Limited. The study furthermore focused on the training as a driver to career development of employees. He made an interesting establishment that training improves employee career prospects and enhances opportunities of employees to advance their careers in the Bank. Training also provides better chances of getting promoted into higher positions of responsibility and employees often attract better salary increments. This is because of employees' improved hands on skills and expertise towards their jobs. Training also allows diversified operations by employees and, therefore, makes them fit to do any given operations on a higher level. Training was found helpful to employees' careers when starting work life and in developing the later stages of careers in the Bank.

In the study by Mwashila (2018) career development is defined as the process of progressing of an individual's career. This involves the activities performed by the staff themselves and the organization so as to achieve career objectives and job requirements. Mwashila (2018) sought to investigate how career development influences academic staff performance in Kenyan public universities. The study observed that career planning is one way in which the academic staff performance

can be improved. The study discovered that universities had career development plans for their academic staff which led to better performance of employees. Career advancement was found to have significant influence on academic staff performance in Kenyan public universities. This is because the advancement in career for employees gave the staff an opportunity to excel in their academic competencies. The universities further acknowledged the career progression guidelines which stipulated conditions for promotion. Mwashila (2018) recommended that organizations need to provide adequate career advisory services to its academic staff and develop career development plans for their academic staff.

According to Saleem and Amin (2013) it is imperative for top managers to consider the difference in the significance and commitment attached to the individuals' career development and its integration into the Human Resource Processes and procedures by organizations following different types of management styles. The supportive role of organization towards employees' careers is very significant and crucial towards the organization's future. The organizational support for career development and supervisory support creates and build capacitated personnel who are able to handle various dynamic situations (multitasking capability) and this means that the organization has stable assets for its long term operations.

2.4.5 Moderating effect of Organization Culture on the relationship between Transformation Leadership and Organizational Performance

Abdulkadir, Takow, Abdifitah and Osman (2014) studied the effect of organizational culture on organizational performance at Telecommunication Firms in Mogadishu-Somalia. Using correlation coefficient, the study found that academic achievement had significant positive influence on competitive culture, entrepreneurial culture and consensual culture. In another study by Fakhra, Iqbal and Gulzar (2014) on the impact of organizational culture on employees' job performance in Software Houses in Pakistan, customer service, risk-taking and communication system, participation, reward system and innovation were found to have a positively significant impact on organizational job performance.

Shakil (2012), studied the impact of organizational culture on management practices in Pakistan with the aim of expanding understanding and testing the relationship between the components of organizational culture and performance. Using regression and correlation analysis, the study found out that consistency and adaptability were some of the cultural attributes which significantly influenced management practices. Further, Lorraine, Dorai and Zubair (2011) investigated the influence of organizational culture on performance management in insurance industry. The study focused on five variables namely adaptive perspective, communal, network, mercenary and fragmented culture. The study established a link between organizational cultures and management practices. However, the study reported that different types of organizational cultures had varied acceptance levels of performance management.

Njugi and Agusioma (2014) studied the effect of organization culture on organizational performance in non-financial institutions with a specific focus on World Vision Kenya. Using a linear regression analysis to find out how organizational culture correlated with organizational performance, the study established that organizational culture significantly influenced performance by enhancing organizational philosophy, work atmosphere, performance targets and organizations stability. Omukaga (2016) likewise agreed that all members and staffs of an organization must be bonded to culture of the organization since it encourages one accord and consistency, thus enhancing commitment through upholding of corporate values and employee performance. With the competitive industries, task environments and situations, the study proposed that to improve an organization's culture, the existing culture must be strong and provide a strategic competitive advantage and its beliefs and values must be widely shared and firmly upheld.

Tsai (2011) did a study on the relationship between organizational culture, leadership behavior and job satisfaction. The study adopted a cross-sectional study and focused on hospital nurses in Taiwan. Data was collected using a structured questionnaire. To test the reliability of the data, they were analyzed by Cronbach's α and confirmatory factors. Correlation analysis was used on the relationships between organizational cultures, leadership behavior and job satisfaction. The study findings revealed that

organizational cultures were significantly (positively) correlated with leadership behavior and job satisfaction, and leadership behavior was significantly (positively) correlated with job satisfaction. The study revealed a geographical gap since it was conducted in Taiwan. There also exists a contextual gap since the study focused on the health sector whereas the current study focused on the financial sector.

Yasoithai, Jauhar, and Bashwir (2015) did a study to establish the influence of effective reporting structures on organizational performance among manufacturing firms in Islamabad, Pakistan. The finding of their study showed that the reporting systems within firms did significantly influence performance of individual employees as well as the organizations. While the results shed light on the significance of reporting structures in organizations, the study was limited to the manufacturing industry in Islamabad, Pakistan. Thus, it may not be sufficiently conclusive that the results could be generalized across the global manufacturing industry and other sectors as well. Thus, the study recommended further studies to be conducted to find out how reporting structures could influence employee performance in the service-oriented organizations.

Meyerson and Dewettinck (2012) investigated the effect of employee autonomy implementation by considering the three factors of delegation, implementation of participating management, encouragement and giving rewards in telecommunication firms based in Finland. Findings showed that there was a significant difference between rate of employees' performance before and after autonomy implementation. Emphasis was put on autonomy implementing factors, delegation, participating management and encouragement and giving rewards, which contributed to employee performance improvement.

In a study to explore the role of intrinsic and extrinsic motivation and goal achievement as predictors of increased work effort targeting employees of a large Norwegian service organization, Dysvik and Kuvaas (2013) established that employees with high levels of performance demonstrated higher levels of intrinsic motivation which in turn had a positive effect on work effort. The study found no interaction between intrinsic motivation and the other goal orientation. The study

concluded that as long as intrinsic motivation is high, employees seem able to uphold their work effort at high levels. These findings, therefore, indicate that performance is enhanced by an individual's intrinsic motivation which focuses on internal rather than external rewards. In other words, the motivation to engage in behaviors arises from within the individual because it is intrinsically rewarding. This contrasts with extrinsic motivation, which involves engaging in behaviors in order to earn external rewards or avoid punishments. An individual's need for achievement strongly enhances their intrinsic motivation towards a strong performance-prove orientation (Hendricks & Payne, 2011).

Indravedi (2012) examined the impact of autonomy on job performance and job satisfaction in Indian software companies. Data was collected from a sample of 200 respondents from four software companies in Chennai. The study identified a strong association between employee autonomy, job performance, and job satisfaction. Job performance is predicted by the level of autonomy among the software companies. While meaningful work is found to be the most important component predicting job performance followed by impact, autonomy and competence. The researcher also found a high positive relationship between employee autonomy and job satisfaction.

Uymaz (2015) examined the direct and indirect effects of transformational leadership on follower performance through autonomy management and organizational learning as a value for organization performance. The research was carried out in a company that formed learning organization teams for organizational growth. The results of the research revealed significant findings. First, the results showed that transformational leadership has a positive effect on follower performance through autonomy management and organizational learning. Secondly, autonomy management does not only directly and positively impact follower performance but also has a positive but indirect effect through organizational learning. In addition, organizational learning has a direct and positive effect on follower performance. Leadership style and applications are closely related to communications and knowledge transfer (Epitropaki & Martin, 2013). The results of the study showed that the leader's effectiveness increases with his method of autonomy management influence, which

not only ensures an in-depth relationship with followers but also adds dynamism to the entire working environment.

Tajuddin (2013) investigated the relationship between factors of employee espoused values and employee performance in the manufacturing industry in Singapore. The findings indicated that values moderately influenced employee performance. There was significant correlation between the factors of espoused values and employee performance. Employees felt that when they are guided by laid values and ethical considerations, their performance improved significantly. This study was done on manufacturing industries only, whereas the current study is on commercial banks in Kenya.

A recent finding by Saad and Abbas (2019) on the impact of organizational culture on job performance in Saudi Arabian public sector work culture indicated that there exists a positive relationship between organizational culture and job performance. They quote Aycan *et al.* (1999) who states that organizational culture at its full potential makes the organization exhibit some sort of competitive advantage, since it affects commitment and the resilience of the personnel at work which arises from the underlying assumptions, beliefs, norms, values and attitudes. A well-managed organizational change, goal achievement plan, coordinating teamwork and cultural strength has a positive influence on job performance, but with varying and distinct intensity. Organizational culture encompasses values, norms and behaviors and correlates with cultural strengths. It also describes and determines both socio-cognitive and socio-cultural environment of an organizational members. Strong culture leads to strong identity, which gives a certain feeling of security to employees, they are one family which ultimately encourages them to be committed to this identity. Strong culture reflects a high degree of control by leaders and hierarchy to variables related to competition and affecting global performance. Organizational culture should be regarded at the same time as an asset and as a resource. Well established corporate norms and behaviors are used as strategic resources with the potential to create and implement improved organizational routines in order to deliver sustainable competitive advantages.

In Ghana, Owusu (2017) sought to establish the effect of corporate cultures on employee performance in banking institutions. Statistically, the study concluded that there existed a very strong relationship between organizational culture and employee performance. The study looked into the aspects involving conflict management practices, professionalism, and organizational goal integration, which were also found to be significantly related to employee performance. The study also acknowledged that strong organizational culture encompassed strong customer centeredness, organization structure, communication, employee participation, decision making, and fun. They were recommended to be a part that is significant in the overall performance of the employees. According to Owusu (2017) it is advised that the management members have to endeavour to come up with clear decisions in their area of responsibility, roles and responsibilities. Another aspect of strong organizational culture that was emphasized was the communication. Organizational culture encourage free communication of the employees with management members and less friction between subordinates and superiors. Employees must be encouraged to participate in the activities of the organization, decision making.

Odhiambo (2016) defines culture as a comparatively secure set of beliefs, behaviour and values frequently held by a community, being obtained from social anthropology as a structure for grasping primitive communities. According to Odhiambo (2016), it was revealed that employees supported beliefs and values, rules and policies, artifacts and management behaviors. The study observed that firms engaged in various organizational cultures to boost performance of employees. Rules, policies, beliefs and values as the most prevalent culture components were strongly acknowledged which implied that employees would diligently attend to their duties by eliminating errors hence better performance. It was thus, concluded that in order to improve the output of the organization, present organization culture need to be made compatible with the current strategies and day to day running of the activities of employees. In addition, the study concluded that the management needs to propagate positive culture since the culture is what the employees cling up on for their daily attachment to their respective fields of operation. Employees have their own goals to achieve in relation to career growth aside from working to ensure the

organizations attain their desired objectives. Therefore, the management should strive to cultivate a positive and a motivating work environment for the personnel.

2.4.6 Organization Performance

Ondigi and Willy (2016) also assessed the factors that affect performance of insurance firms in Kenya, case of firms listed on the NSE by looking at their profitability. They evaluated the effect of organization size, effect of liquidity, effect of equity and also established the effect of debt on profitability of firms in Kenya. From the study it was discovered that liquidity is very critical and instrumental in ensuring that the firm's profits are maintained. Equity has a direct influence on insurance firms' profitability. The study therefore recommended that insurance firms should maintain adequate liquidity levels though in the form of short term marketable securities in order to realize profits for the insurance firms. The study also recommended that equity when not utilized becomes a liability to the insurance firm as interest paid on such is incurred, insurance firms therefore should aggressively identify viable investment opportunities and link such opportunities to their equity from clients.

Ongore and Kusa (2013) studied the determinants of financial performance of commercial banks in Kenya underscored that the financial performance of commercial banks in Kenya is driven mainly by board and management decisions, while macroeconomic factors have insignificant contribution. They indicated that the main determinants of bank performance included such indicators of profit which is mainly determined by Return on Equity (ROE), Return on Asset (ROA) and Net Interest Margin (NIM). The ROE refers to a financial ratio that of how much profit a company earned compared to the total amount of shareholder equity invested or found on the balance sheet. ROA is the ratio of Income to its total asset (Khrwish, 2011). Net Interest Margin (NIM) NIM measures the difference between the interest income generated by banks and the amount of interest paid out to their lenders relative to the amount of their assets. Empirically the study showed that capital adequacy, asset quality and management efficiency significantly affect the performance of commercial banks in Kenya. The relationship between bank

performance and capital adequacy and management efficiency was found to be positive. However the relationship between asset quality and bank performance was negative an indication that poor asset quality or high non-performing loans to total asset results to poor bank performance. The study thus concluded that banks with high asset quality and low non-performing loan are more profitable than the others.

Kamande (2017) also did a study to investigate the effect of bank specific factors on financial performance of commercial banks in Kenya. The study acknowledged return on assets (ROA) as a measure of the financial performance of a banking institution. Kamande (2017) showed that there was positive and significant association between ROA and the measures of ROA (liquidity, management efficiency, capital adequacy, earnings ability and asset quality). The results observed that there has been a significant decrease in capital adequacy during the five-year period in many banks. Robin, Salim and Bloch (2018) also concurs that capital strength and asset quality are the main drivers of profitability. Therefore, an appropriate banking policy aimed at raising capital base and asset quality is vital for ensuring a viable banking sector. Asset quality was found to affect profitability and the financial performance of banks. The study concludes that Asset quality of the bank have the highest influence on ROA of banks.

2.5 Critique of Existing Literature

Teymournejad and Elghaei (2016) studied a population of 500 managers and employees of Maskan Bank in Tehran to determine the effect of transformational leadership involving idealized influence, intellectual stimulation, inspirational motivation and individualized considerations on organizational creativity of employees. Ansar et al. (2016) investigated the impact of charismatic leadership style on organizational effectiveness. The study targeted 100 employees from the telecommunication industry in Pakistan. Abdulkadir, Takow, Abdifitah and Osman (2014) studied the effect of organizational culture on organizational performance at Telecommunication Firms in Mogadishu-Somalia. However, all the above studies were conducted in a different economic environment from that of Kenya. It would, therefore, be difficult to relate the findings of these studies to the situation in Kenya.

In his study, Kimeto (2017) sought to establish the influence of inspirational motivation and intellectual stimulation on organizational commitment in commercial banks in Kenya. Further, Nyokabi (2017) sought to determine the effect of idealized influence and inspirational motivation of the Chief Executive Officer (CEO) on the performance of senior managers in the private sector in Kenya. However, the studies failed to address the question of organization performance. Instead, they focused on commitment of senior managers respectively. It is, however, important to understand the role of transformation leadership on organization performance. Ayacko (2017) investigated how organization structure moderates the influence of individualized consideration of judicial officers on the performance of judicial staff in Kenya. Despite, the fact that the study focused on transformational leadership style, it was however, limited to one dimension, which was individualized consideration. There is, therefore, need to understand the role played by other transformational leadership style dimensions in explaining organization performance.

The study by Ngaithe, K'Aol, Lewa and Ndwiga (2016) investigated the performance of state owned enterprises in Kenya by looking into the idealized influence and inspirational motivation. The study made profound conclusions that were relevant to this study, however, due to its limited scope on the idealized influence and inspirational motivation could not expound on the scope. Utami (2013) likewise makes interesting discoveries about intellectual stimulation and its effect on knowledge sharing, innovation and firm performance. However, the focus of the study was based on one aspect (factor) that is the intellectual stimulation. Njiraini, K'Aol and Linge (2018) by correlating idealized influence and inspirational motivation concluded that inspirational motivation influenced job satisfaction among employees in commercial Banks in Kenya. Whereas the study made conclusions towards job satisfaction among employees in commercial banks in Kenya and it failed to concentrate on the general explanation of organization performance. Likewise, in a case of small and medium enterprises in Kenya Ogola, Sikalieh and Linge (2017) sought to find out the influence of idealized influence leadership behavior on employee performance. This study targeted the KPMG top 100 SMEs of 2014 in Kenya. The study thus failed to track the performance of the SMEs throughout the period since 2014 to date.

Mutimba and Kanyua (2017) sought to determine the influence of motivation on employee productivity in the Banking Sector in Kenya. The study focused on 300 employees working in the Cooperative Bank Headquarters. This focus presents a limited scope of study by focusing only on one bank premise. A more conclusive report could be drawn from a look at the other branches of Cooperative Bank in Kenya and the banking sector as a whole. Khalil, Zada, Tariq and Irshadullah (2018) who did a study on the impact of Intellectual Stimulation on Employees' Job Satisfaction failed to look at the general performance of the organization but looked at the job satisfaction of the employees. In addition, Owusu (2017) sought to establish the effect of corporate cultures on employee performance in banking institutions. The study narrows down its scope to how employees perform and fails to make conclusive findings on the general performance of the banks.

2.6 Research Gaps

Despite numerous studies having been conducted on transformational leadership and organizational performance, there exist several research gaps. Kimeto (2017) study sought to establish the influence of inspirational motivation and intellectual stimulation on organizational commitment in commercial banks in Kenya. However, the study focused on organizational commitment and not organizational performance, thus presenting a conceptual gap. The current study sought to bridge this gap by focusing on performance of commercial banks in Kenya

Nyokabi (2017) sought to determine the effect of idealized influence and inspirational motivation of the Chief Executive Officer (CEO) on the performance of senior managers in the private sector in Kenya. The study revealed a conceptual gap since it did not concentrate on organizational performance. Instead, the study focused on motivation by the CEOs in the private sector. The current study sought to bridge this gap by focusing on performance of commercial banks in Kenya. Ayacko (2017) in his study investigated how organization structure moderates the influence of individualized consideration of judicial officers on the performance of judicial staff in Kenya. The study presents an objective gap since it did not address all the objectives of this study. Instead, it only concentrated on one dimension of

transformation leadership style (individualized consideration). The current study fills this gap by focusing on the four dimensions of transformation leadership namely; idealized influence, inspirational motivation, intellectual stimulation and individualized consideration.

A study by Samaitan (2014) examined the impact of leadership style on organizational performance in commercial Banks in Kenya. However, it presented an objective gap since it did not address the objectives of the current study, which are idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Teymournejad and Elghaei (2016) study determined the effect of transformational leadership involving idealized influence, intellectual stimulation, inspirational motivation and individualized considerations on organizational creativity of employees. The study presented a contextual and geographical gap since it was conducted in Tehran. The current study was done within the Kenyan context.

Further, Njugi and Agusioma (2014) studied the effect of organization culture on organizational performance in non-financial institutions with a specific focus on World Vision Kenya. The study presented a contextual gap since it focused on non-financial institutions, whereas the current study focused on financial institutions. In addition, Yang (2014) conducted a study to evaluate the influence of leadership style and employee trust in their leaders on job satisfaction in four large insurance companies in Taiwan. However, the study revealed a methodological gap since it used structural equation modeling while the current study used regression model.

2.7 Summary

This chapter identified several theories on which the study is anchored upon. The theories include; the transformational leadership theory, charismatic theory, hierarchy of need theory, competency theory, self-interest theory, Schein's theory of organizational culture and Shareholders' wealth maximization theory. Further, the chapter presented the conceptual framework of the study. The conceptual framework that was developed has shown the independent, dependent and moderating variables and their relationships. The chapter also showed the conceptualization of the study

variables. The chapter concluded by reviewing empirical literature that is aligned to the research questions. The next chapter outlines the research methodology used in the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the methodology and approach used to find solutions to the research questions. Methodology can be described as the framework associated with a particular set of paradigmatic assumptions that can be used to conduct research (O’Leary, 2004). The chapter describes the methodology and procedures adopted in gathering information, procedure of conducting the research, the techniques used in analysis as well as presentation of data to be collected. It consists of research philosophy, research design, sample and sampling technique, data and data collection techniques, data analysis technique, research questions and data finding presentation methods.

3.2 Research Philosophy

This research is driven by positivist epistemology. According to Bryman and Bell (2007), positivism is an epistemological stance that studies social reality and, beyond using natural science methods. In the positivist metaphysical approach, assumptions are established on the basis of the existing acceptable theories. In order to satisfy the research objectives and the study targets, the findings are then evaluated and confirmed or disproved using quantitative and mathematical techniques. Saunders et al. (2009) asserted that the final result of such experiments could be important through the positivist method.

Principles of positivism include; researching an observable social reality is preferable and only observable phenomena produce reliable knowledge (Saunders et al., 2009). The purpose of the theory is to create hypotheses that can be checked, the role of studies is to evaluate theories and provide evidence for the growth of law experiments should be carried out in a free-in and objective value way. The researcher is independent and does not impact or be affected by the topic of the analysis, the end result of the study is intended to be law, such as generalizations

comparable to those made by natural scientists, and positivism emphasizes quantifiable observations used for statistical evaluation (Bryman & Bell, 2007).

This research followed the philosophy of positivism, since it requires researching social reality and beyond by using methods of natural science. Similarly, this thesis was aimed at investigating a real scenario and using scientific methods to find alternatives. Furthermore, the paradigm requires the development of hypotheses based on suitable theories. In this study, this was the case. Using quantitative and statistical approaches, these hypotheses were then checked and confirmed or disproved to fulfill the research targets and achieve the study objectives.

3.3 Research Design

The study used a mixed approach of qualitative and quantitative designs to offer different perspectives and to complement each other. In order to achieve the research objectives and to address the research problem, the study conducted a qualitative research as it generates quantifiable data. According to Couchman and Dawson (1995) a quantitative research is primarily concerned with observable and measurable phenomena involving people, events or things. A quantitative research makes use of variety of quantitative analysis techniques that range from providing simple descriptive of the variables involved to establishing statically relationships among variables through complex statistical modeling (Saunders et al., 2009).

Quantitative research is conclusive in its purpose as it tries to quantify the problem and understand how prevalent it is by looking for projectable results to a larger population. The quantitative research was designed such that questionnaires formed the main research instrument. The formats incorporated open-ended and close-ended questionnaires. Furthermore, the research study ensured that data was collected from a large sample base of employees.

The qualitative method analyzes the why and how of decision making, not just what, where, when, or "who", and has a strong basis in the field of sociology (Yin, 2010). Qualitative research is exploratory, and it is used when we don't know what to expect, to define the problem or develop an approach to the problem. It's

also used to go deeper into issues of interest and explore nuances related to the problem at hand.

3.4 Target Population

Target population is also referred to as the people under consideration for inquiry (Tuckman, 2008). In this regard, the data for the study was confined to the commercial banks in Kenya and was collected amongst bank employees. However, since there are 43 banks with approximately 45,000 employees (CBK, 2016), the researcher limited the target population to employees of seven commercial banks namely; Kenya Commercial Bank, Equity Bank, Cooperative Bank, Standard Chartered Bank, Barclays Bank, Diamond Trust Bank and Commercial Bank of Africa. The unit of analysis for the study was the seven banks which constituted the list of tier one banks in Kenya. The choice of tier one banks as the unit of analysis was justifiable since they contribute to over 50% of all banking employees, and therefore, they form a good ground for random stratification. In total, the seven banks had approximately 24,244 employees. These, therefore, constituted the study population. On the other hand, the unit of observation for the study was employees working in the seven banks.

3.5 Sampling Frame

Basically, a sampling frame is a complete list of all the members of the population that the researcher wishes to study (Dampsey, 2003). From the available information, the total numbers of employees from the seven sampled banks are approximately 24,244 (being the sample frame). The sampling frame was derived as follows;

Table 3.1: Sample Frame

No	Banks	Target Population
1	Kenya Commercial Bank	7,500
2	Equity Bank	6,500
3	Cooperative Bank	4,000
4	Standard Chartered Bank	1,040
5	Barclays Bank	3,000
6	Diamond Trust Bank	1,100
7	Commercial Bank of Africa	1,104
	TOTAL	24, 244

Source: Central Bank of Kenya (2016)

3.6 Sample Size and Sampling Technique

According to Anderson (2011), a sample is a subset of a population selected to participate in a study. Sampling is the process of selecting units from a population of interest so that by studying the sample, we may fairly generalize our results back to the population from which they were chosen. Mouton (2006) defines a sample as elements selected with the intention of finding out something about the total population from which they are taken. According to Neuman (2005), a sample is a finite part of a statistical population whose properties are studied to gain information about the whole population. Since the target population was greater than 10,000, the fisher *et al*, (2003) formula was employed. The Fisher formula was as follows:

$$n = z^2 p(1-p) / d^2$$

Where;

n = sample size

z = the standard normal deviate value for the level of confidence, for instance 95% level of confidence = 1.96.

d = margin of error or level of precision at 0.05 for Confidence Interval I at 95%

p = proportion to be estimated, Israel (2009) recommends that if one doesn't know the value of p then you should assume $p=0.5$

Accordingly, the, sample size is arrived at as follows:

$$n = (1.96^2)(0.5)(1-0.5)/(0.05)^2$$

$$n=384$$

Therefore, the study sample size was 384 respondents, which were distributed proportionately. The study used stratified random sampling to select the sample size. The technique was appropriate since the target population was classified into strata (seven tier one banks). Table 3.2 shows the sample size distribution.

Table 3.2: Sampling Size

No	Banks	Target Population	Sample Size
1	Kenya Commercial Bank	7,500	119
2	Equity Bank	6,500	103
3	Cooperative Bank	4000	63
4	Standard Chartered Bank	1040	17
5	Barclays Bank	3000	48
6	Diamond Trust Bank	1,100	17
7	Commercial Bank of Africa	1104	17
	TOTAL	24, 244	384

Source: Central Bank of Kenya (2016)

3.7 Data Collection Instrument

Questionnaires were used as the primary data collection instrument. The questionnaires were self-administered through drop and pick method to the

respondents. This method ensured accuracy, relevance and specificity of the data to the research topic. Open and closed ended questionnaires were created and administered to the selected respondents after notifying them in pilot study.

According to Leary (2005), there are distinct advantages in using a questionnaire vs. an interview methodology including; questionnaires are less costly and easier to administer than personal interviews; they lend themselves to group administration; and, confidentiality is assured. Primary data collection methods employ deductive logic, where the researcher starts with a hypothesis, and then collects data to confirm or refute the hypothesis (Burns & Grove, 2006).

Questionnaires are generally fast and inexpensive with a wide assortment of statistical techniques available to the researcher. Computer software is readily available to provide both basic and advanced multivariate analysis. According to Sekaran (2010), questionnaires can be used for both descriptive and explanatory research. Since this is a descriptive research, it helped to identify and describe the variability in different phenomena through attitude, opinion and questionnaire of organizational practices.

3.8 Data Collection Procedure

Data collection is the precise, systematic gleaning of information relevant to the research objectives (Zikmund et al., 2009). Both qualitative and quantitative data was collected from primary sources. For the research study to succeed the researcher obtained written consent and endorsement from the management of chosen banks; whose consent was attached to each questionnaire for comfort of the respondents. Further, the questionnaire was accompanied by cover letter from the researcher stating the purpose of the study. It is to be noted that the questionnaire for the primary data was dropped to the respondents in person and picked upon completion at a later date. This provided an opportunity to explain the importance of the study to the respondents, discuss the pilot study outcome and obtain their buy-in from the beginning. Self-administered questionnaires allowed the participants to respond to questions by themselves at their own pace. They ease respondent's burden by giving

them time to think through their responses (Monsen & Horn, 2008). The data collected was then tested for accuracy and reported in a tabular format.

Research assistants were used to assist in gathering the information from respondents and accordingly they were trained on interpretations of responses and in procedure of administration. The assistants then accompanied the researcher in piloting and modifying the research instruments so that they can comprehend fully the purposes and methods of data collection.

3.9 Pilot Testing

Polit and Hungler (2006) refer to reliability as the degree of consistency with which an instrument measures the attribute it is designed to measure. To ensure validity and reliability of the research instrument to be used, the degree to which a research instrument can yield consistent results after repeated trials is important (Mugenda & Mugenda, 2003). Reliability of the questionnaire was tested through a pilot study in which nineteen (19) questionnaires were pretested to a sample group similar to the actual sample. This was important in finding out any deficiencies in the questionnaire and rectifying them before the actual questionnaire was issued.

The rule of thumb is that 5% of the sample size should constitute the pilot test (Cooper & Schilder, 2006); which was randomly selected from the study population. Identified faults and inadequacies in the instruments were corrected at this stage before the main study. Cronbach's Alpha test was used to increase accuracy as the inter-correlations among test items, and for internal consistency estimate in collecting data. The researcher ensured that the questionnaires were submitted to the supervisor to check for validity and assess the relevance of the questions and content to the study. Because inter-correlations among test items are maximized when all items measure the same construct, Cronbach's Alpha is widely believed to indirectly indicate the degree to which a set of items measures a single uni-dimensional latent construct.

3.9.1 Reliability of the Research Instrument

According to Suskie (1996), a perfectly reliable questionnaire elicits consistent responses. The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials. Although unreliability is always present to a certain extent, there is generally good deal of consistency in the results of a quality instrument gathered at different times. The tendency toward consistency found in repeated measurements is referred to as reliability (Carmines & Zeller, 1979). Reliability means that scores from an instrument are stable and consistent. Reliability is a necessary ingredient for determining the overall validity of a scientific experiment and enhancing the strength of the results. Cronbach Alpha method was used to test for internal consistency.

Since the researcher used Likert Scale, and items scored as continuous variables (e.g., strongly agree to strongly disagree), then Cronbach Alpha provides a coefficient to estimate consistency of scores on an instrument (Creswell, 2005). A Cronbach's Alpha score of 0.7 is considered to be acceptable reliability coefficient (Nunnally & Bernstein 1994), however, lower thresholds are sometimes used in literature. The following formula for Cronbach's Alpha was used to measure the reliability of the instruments.

$$a = \frac{K * r}{1 + (K - 1) * r}$$

Where:

K is the number of variables,

r = bar is the average correlation among all pairs of variables.

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 indicated that organizational performance had a coefficient of 0.876, idealized influence had a coefficient of 0.909,

inspirational motivation had a coefficient of 0.941, intellectual stimulation had a coefficient of 0.939, individualized consideration had a coefficient of 0.828 and organization culture had a coefficient of 0.755. All the variables had Cronbach's Alpha values above 0.7. The study therefore, concluded that scales used in this study are reliable to capture the variables.

Table 3.3: Reliability Coefficient

Variable	No of Items	Respondents	α=Alpha	Comment
Organizational Performance	5	19	0.876	Reliable
Idealized influence	6	19	0.909	Reliable
Inspirational Motivation	5	19	0.941	Reliable
Intellectual Stimulation	5	19	0.939	Reliable
Individualized Consideration	7	19	0.828	Reliable
Organization Culture	8	19	0.755	Reliable

3.9.2 Validity of the Research Instrument

Validity can be defined as the degree to which a test measures what it is supposed to measure. According to Cresswell (2005), validity means that the individual's scores from an instrument make sense, are meaningful, and enable you, as the researcher, to draw good conclusions from the sample you are studying to the population. Both content and construct validity was tested in this study. For content validity, the researcher discussed the items in the instrument with the supervisors and other experts. Advice given by these professionals helped the researcher to determine the validity of the research instrument. The advice included suggestions, clarifications and other inputs which were used in refining the instrument. Further, construct validity was assured by making sure that the instrument had questions in line with the study variables.

3.10 Data Analysis and Presentation

Data analysis is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making, (Mugenda & Mugenda, 2003). Data collected using the data questionnaire was coded, verified for completeness and accuracy and then analyzed using quantitative approaches to derive descriptive statistics/outputs. The study used the Statistical Package for Social Sciences (SPSS version 23) to process the data. The software was used to produce frequencies, descriptive and inferential statistics which were used to derive generalizations and conclusions regarding the population. Quantitative data analysis allowed the study to make inferences by objectively and systematically identifying specified characteristics of data flow (Bryman, 2001).

Multiple linear regression models were used to measure the relationship between the independent variables and the dependent variable. The model was similar to that used by many of the studies done in the area of transformation leadership, (Kimeto et al., 2017; Nyokabi et al., 2017; Ayacko et al., 2017). In this study the following regression equation model was used to test the statistical significance of the study hypotheses:

Regression Model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Organization Performance

X₁ = Idealized Influence

X₂ = Inspirational Motivation

X₃ = Intellectual Stimulation

X_4 = Individualized Consideration

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficients to be estimates

ε = Error term which is normally distributed with a mean and variance of zero.

The moderating variable in the study was organization culture. The moderating effect of organization culture on the relationship between transformation leadership and organizational performance of commercial banks was tested using the following model adopted from Ongore and Kusa (2013).

$$Y = \beta_0 + \beta_1 X_{1.M} + \beta_2 X_{2.M} + \beta_3 X_{3.M} + \beta_4 X_{4.M} + \varepsilon$$

Where:

M = moderator (organization culture)

$X_{1.M}$ = Interaction term 1 (Idealized Influence * M)

$X_{2.M}$ = Interaction term 2 (Inspirational Motivation * M)

$X_{3.M}$ = Interaction term 3 (Intellectual Stimulation * M)

$X_{4.M}$ = Interaction term 4 (Individualized Consideration * M)

ε = Error term

3.10.1 Qualitative Analysis

The qualitative method investigates the why and how of decision making, not just what, where, when, or "who", and has a strong basis in the field of sociology (Yin, 2010). Qualitative research is exploratory, and it is used when we don't know what to expect, to define the problem or develop an approach to the problem. It's also used to go deeper into issues of interest and explore nuances related to the problem at hand. In this study, qualitative data was analyzed using content analysis.

3.10.2 Diagnostic Tests

Prior to running a regression model, diagnostic tests were conducted. The tests included; reliability, linearity, normality, autocorrelation, multicollinearity and heteroscedasticity tests. This was done to avoid spurious regression results from being obtained.

3.10.2.1 Linearity Test

The study used ANOVA test to test for linearity of the data and to visually show whether there was a linear or curvilinear relationship between two continuous variables before carrying out regression analysis. The regression models can only accurately estimate the relationship between dependent and independent variables if the relationship is linear (Osborne & Waters, 2002).

Results presented in table 3.4 reveal that the F statistic of 117.037 is significant at 0.05 significance level; hence the study concluded that there is a significant linear relationship between the dependent and the independent variables. As such, the data relating to the variables of this study was appropriate to use for regression analysis.

Table 3.4: ANOVA Test

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	27.660	4	6.915	117.037	.000 ^b
Residual	17.134	290	.059		
Total	44.794	294			

3.10.2.2 Normality Test

This test was used to determine if data set is well modelled by normal distribution and to compute how likely it is for a random variable to be normally distributed. It is a statistical process used to determine if a sample or any group of data fits a standard normal distribution. The study used Kolmogorov-Smirnov test and the Shapiro-Wilk

test to test for normality of the data. If the probability value is greater than 0.05, then the data is normally distributed (Saunders & Thornhill, 2012). The results in Table 3.5 present test for normality results, which established that the data was not normally distributed since the probability value was less than 0.05. However, normality of the data was assumed since the number of **o lity Test** observations was large.

Table 3.5: Test for Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Organizational Performance	0.188	295	0.000	0.905	295	0.000

3.10.2.3 Multi-Collinearity Test

Multi-collinearity is a phenomenon in which one predictor variable in multiple regression model can be linearly predicted from the others with substantial degree of accuracy (Field 2009). The study used variance inflation factors (VIF) to test for Multicollinearity. According to Field (2009) VIF values in excess of 10 is an indication of the presence of Multicollinearity. The results in Table 3.6 present variance inflation factor results and were found to be 3.254 which is less than 10 and thus according to Field (2009), there is no Multicollinearity.

Table 3.6: Multicollinearity Results using VIF

Variables	Tolerance	VIF
Idealized influence	0.38	2.631
Inspirational Motivation	0.29	3.451
Intellectual Stimulation	0.239	4.187
Individualized Consideration	0.421	2.376
Organization Culture	0.276	3.625
Average VIF		3.254

3.10.2.4 Heteroscedasticity Test

Heteroscedastic tests systemic change in the spread of the residuals over a range of measured values. The Ordinary Least Squares (OLS) assumption states that the residuals should be Homoscedastic. The Modified Wald test was used in the study where the null hypothesis was that error terms have a constant variance (i.e. should be Homoscedastic). The results in the table 3.7 indicate that the error terms are homoscedastic, given that the probability value is more than the 0.05.

Table 3.7: Modified Wald Test for Heteroscedasticity

Modified Wald Test for Heteroscedasticity
H ₀ : Constant Variance (Homoscedasticity)
chi2 (79) = 3.68
Prob>chi ² = 0.0549

3.10.2.5 Autocorrelation Test

This test measures the relationship between the variables current value and its past values. To establish whether or not the residual is serially correlated, Durbin-Watson test for autocorrelation was conducted. The Durbin Watson test reports test statistics, with a value from 0 to 4, where: 2 denotes no autocorrelation; 0 to 2<2 denotes a positive autocorrelation; while >2 denotes a negative autocorrelation. The decision rule is that test statistic values in the range of 1.5 to 2.5 are relatively normal. Values outside this range could be cause for concern (Field, 2009). The results are as indicated in Table 3.8 and therefore the null hypothesis of no autocorrelation is accepted and that residuals are not auto correlated (Durbin- Watson statistic value=2.25).

Table 3.8: Autocorrelation Test

Durbin-Watson Test for autocorrelation
H ₀ : no first-order autocorrelation
F(1, 30) = 2.864
Durbin-Watson = 2.23

3.10.3 Data Presentation

Kombo and Tromp (2006), observes that data can be presented using statistical techniques, graphical techniques or a combination of both in order to come up with comprehensive conclusions. In this study, results are presented in form of tables.

3.11 Hypothesis Testing

Hypothesis testing was done using t- tests. The study adopted a significance level of 0.05. This is informed by the fact that most business and social research use 5% level of significance (Mugenda & Mugenda, 2003). The p value obtained was interpreted based on the alpha level or level of significance. The study rejected the null hypothesis if the p-value was less than 0.05 in favor of the alternative hypothesis. If the p-value was greater than the level of significance the study did not reject the null hypothesis.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter comprises of data analysis, findings and interpretation. Results are presented in tables and diagrams. The analyzed data is arranged under themes that reflect the research objectives. The section also consists of pilot results, diagnostic results, correlation and regression results. Further, the section presents the revised conceptual framework.

4.2 Response Rate

The number of questionnaires that were administered was 384. Out of this, a total of 295 questionnaires were properly filled and returned. However, 89 questionnaires were not valid as some of them were not returned, while others were incomplete. The 295 questionnaires represented an overall successful response rate of 77% 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 these assertion 77% response rate is adequate for the study.

Table 4.1: Response Rate

Response	Frequency	Percent
Successful	295	77%
Unsuccessful	89	23%
Total	384	100

4.3 Demographic Information

This section analyzes the demographic characteristics of the respondents. It also presents the descriptions of the respondents in terms of the gender, age, level of education and work experience.

4.3.1 Gender of Respondents

The respondents were asked to indicate their gender. Results in Table 4.2 reveal that majority of the respondents (51%) were male while 49% were female. The ratio of male to female employees in the banking industry is almost equal. This is an indication that the banking industry appreciates the importance of gender equality.

Table 4.2: Gender of Respondents

Response	Frequency	Percent
Male	151	51%
Female	144	49%
Total	295	100

4.3.2 Age of the Respondents

The respondents were asked to indicate their age bracket. Results in Table 4.3 reveal that 31.2% of the respondents were between less than 30 years, 28.1% indicated 31-35 years, 22.4% indicated 36-40 years, 9.8% indicated above 41-45years while 8.5% indicated above 45 years. This implies that majority of employees in the seven top banks are relatively young and therefore have the strength and aggressiveness to influence performance of their organizations. They are also assumed to be innovative as the younger population are more likely to try new ways of doing things.

Table 4.3: Age of the Respondents

Response	Frequency	Percent
Less than 30 years	92	31.2
31-35 years	83	28.1
36-40 years	66	22.4
41-45 years	29	9.8
Above 45 years	25	8.5
Total	295	100

4.3.3 Respondents' Education Level

The respondents were asked to indicate their level of education. Results in Table 4.4 show that 47.1% of the respondents were university graduates, 32.5% were post graduates while 20.3% were college graduates. This implies that most of the respondents have the necessary academic qualification to influence performance of the banks.

Employees with higher education qualifications are expected to impact on organization performance better than those with less academic qualifications. Accordingly, post graduate employees are expected to have more impact of organization performance. This finding support Dada (2016) assertion that a significant difference exists in the performance of individuals with different education qualifications.

Table 4.4: Respondents' Education Level

Response	Frequency	Percent
College	60	20.3
University	139	47.1
Post Graduate	96	32.5
Total	295	100

4.3.4 Respondents' Work Experience

The respondents were asked to indicate the number of years they had worked in the banking industry. Results presented in Table 4.5 reveal that 38% of the respondents have worked in the banking industry for less than 5 years, 23.7% indicated 5 to 10 years, 22% indicated over 15 years while 16.3% indicated 11 to 15 years. This implies that majority of the employees have worked in the banking industry for less than 10 years. This is expected since as indicated earlier, majority of the bank employees are young people. Despite the lack of experience, young people are usually eager to learn and therefore lack of experience is not expected to significantly hinder their productivity. However, Quiñones, Ford and Teachout (2015) argued that work experience had the highest correlations with measures of job performance.

Table 4.5: Respondents Work Experience

Response	Frequency	Percent
Less than 5 years	112	38
5 to 10 years	70	23.7
11 to 15 years	48	16.3
Over 15 years	65	22
Total	295	100

4.4 Idealized Influence and Performance of Commercial banks in Kenya

The first objective of the study was to determine the effect of idealized influence on the performance of commercial banks in Kenya. Using a five-point likert scale, the study sought to know respondents' level of agreement on various statements relating to idealized influence.

4.4.1 Descriptive Statistics Analysis

Descriptive statistics such as frequency, percentage, mean and standard deviation were jointly used to summarize the responses as presented in Table 4.6. Results

revealed that majority of the respondents who were 75.2% (38.6%+36.6%) agreed with the statement that our organization has a clearly articulated vision, which has translated into improved performance, 4.4% moderately agreed while 20.3% disagreed. Also, 79.3% of the respondents agreed that our organization employees consider the moral and ethical consequences of decisions they make, 4.1% moderately agreed while 16.2% disagreed with the statement. Further, 76.3% agreed that our organization leadership is characterized by charismatic leaders who portray humor and good communication, 3.1% moderately agreed while 20.7% disagreed with the statement. In addition, 81% agreed that our organization leadership instills pride in employees and therefore boosting their morale, 4.1% moderately agreed while 14.9% disagreed. Lastly, 78.6% agreed with the statement that our organization leadership emphasizes the importance of goal setting, 2.4% moderately agreed while 19% disagreed with the statement.

Using a five-point scale Likert mean, the overall mean of the responses was 3.91 which indicates that majority of the respondents agreed with the statements about idealized influence. Additionally, the standard deviation of 1.22 indicates that the responses were varied. The findings agree with that of Nyokabi (2017) who examined the effect of idealized influence and inspirational motivation of the CEO on the performance of senior managers in the private sector in Kenya. The study findings revealed that the CEO's idealized influence significantly predicted performance of senior managers. Further, the study findings concur with that of Peter and Kalai (2016) who concluded that idealized inspiration influences teachers' job commitment. The results herein imply that idealized influence affects the performance of commercial banks in Kenya.

Table 4.6: Idealized Influence

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly Agree	M	Std. Dev
Our organization has a clearly articulated vision, which has translated into improved performance.	7.10%	13.20%	4.40%	38.60%	36.60%	3.85	1.26
Our organization employees consider the moral and ethical consequences of decisions they make.	8.10%	8.50%	4.10%	42.70%	36.60%	3.91	1.22
Our organization leadership is characterized by charismatic leaders who portray humor and good communication.	15.30%	5.40%	3.10%	34.90%	41.40%	3.82	1.42
Our organization leadership instills pride in the employees and therefore boosting their morale.	4.40%	10.50%	4.10%	41.70%	39.30%	4.01	1.12
Our organization leadership emphasizes the importance of goal setting.	0.00%	19.00%	2.40%	40.30%	38.30%	3.98	1.08
Average						3.91	1.22

4.4.2 Correlation Analysis

Results in table 4.7 indicate the correlation results between idealized influence and performance of commercial banks in Kenya. The results revealed that there was a positive and significant association between idealized influence and performance of commercial banks ($r=0.651$, $p=0.000$). This means that both idealized influence and

performance of commercial banks change in the same direction. Further, the correlation coefficient of 0.651 reveals a strong association between idealized influence and performance of commercial banks in Kenya.

The findings agree with those of Hayati (2014) who found that there is a positive and significant effect of transformational leadership on work engagement and its aspects. Further, the study findings concur with that of Peter and Kalai (2016) who concluded that idealized inspiration influences teachers' job commitment. Additionally, Wilderom et al. (2012) observed that leaders who exhibit idealized influence make followers endeared to them, and that followers like to be identified with them.

Table 4.7: Correlation Matrix

		Performance	Idealized Influence
Performance	Pearson Correlation		1.000
	Sig. (2-tailed)		
Idealized Influence	Pearson Correlation	.651**	1.000
	Sig. (2-tailed)	0.000	

** . Correlation is significant at the 0.01 level (2-tailed).

4.4.3 Regression Analysis

Regression analysis is a statistical tool for the investigation of the relationship between variables. Usually, researcher seeks to maintain the causal effect of one variable upon another. Regression analysis allows you to model, examine and explore spatial relationship, and can help explain the factors behind observed spatial patterns. Regression analysis is also used for prediction.

The study sought to establish the relationship between idealized influence and performance of commercial banks. An ordinary least square regression model was used. The results of the model summary are given in Table 4.8. The findings revealed that idealized influence explained 42.1% of the total variations in performance of

commercial banks in Kenya. This is supported by coefficient of determination also known as the R square of 42.3%.

Table 4.8: Model Fitness

Indicator	Coefficient
R	0.651
R Square	0.423
Adjusted R Square	0.421
Std. Error of the Estimate	0.2969315

Table 4.9 provides the results on the analysis of variance (ANOVA). The results indicate that the overall model was statistically significant. This was supported by the reported F statistic of 215.048 which was greater than the critical value of 3.84. The results were further supported by a reported p value of 0.000 which was less than the conventional probability of 0.05. The results imply that the model linking idealized influence to performance is statistically significant.

Table 4.9: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	18.960	1	18.960	215.048	.000 ^b
Residual	25.833	293	.088		
Total	44.794	294			

Table 4.10 presents the regression of coefficients results. The findings show that there is a positive and significant relationship between idealized influence and performance of commercial banks in Kenya as supported by p value of 0.000 and beta coefficient of (0.731). This implies that an increase in idealized influence by 1 unit would increase the performance of commercial banks by 0.731 units.

The findings agreed with those of Ansar et al. (2016) who concluded that charismatic leaders enhance organizational effectiveness and positive organizational outcomes such as organizational commitment. Further, the study findings concur with that of Kalai (2016) who concluded that idealized inspiration influences teachers' job commitment. Ogola et al. (2017) concluded that whenever a leader wins the trust of the staff by practicing high ethical values and acts as a role model to the employees, the employees will feel attached and drawn to the charismatic leadership style and this will positively affect employees work and hence high performance levels.

Table 4.10: Regression of Coefficients

	B	Std. Error	t	Sig.
(Constant)	1.212	.216	5.605	.000
Idealized influence	.731	.050	14.665	.000

The specific model;

$$Y = \beta_0 + \beta_1 X_1 + e$$

$$\text{Performance} = 1.212 + 0.731 \text{ idealized influence}$$

4.4.4 Hypothesis Testing

The hypothesis was tested by using the ordinary least square regression. The acceptance/rejection criteria were that, if the calculated t statistic was greater than the critical t statistics (1.96), the H_0 is rejected but if it less than 1.96, the H_0 fails to be rejected. The null hypothesis was that Idealized influence does not have a significant influence on the performance of commercial banks in Kenya. The regression of coefficient results showed that the calculated t statistic (14.665) was greater than the critical t statistics (1.96). This indicated that the null hypothesis was rejected hence idealized influence has a significant effect on the Performance of commercial banks.

4.5 Inspirational Motivation and performance of Commercial Banks in Kenya

The second objective of the study was to determine the influence of inspirational motivation on the performance of commercial banks in Kenya. Using a five-point Likert scale, the study sought to know respondents' level of agreement on various statements relating to inspirational motivation.

4.5.1 Descriptive Statistics Analysis

Descriptive statistics such as frequency, percentage, mean and standard deviation were jointly used to summarize the responses as presented in Table 4.11. Results revealed that majority of the respondents who were 80.4% (38.8%+41.6%) agreed with the statement that our organization leadership encourages teamwork, which has translated into improved performance, 2.4% moderately agreed while 17.4% disagreed. Also, 86% of the respondents agreed that our organization leadership communicates what needs to be done, 3.4% moderately agreed while 10.6% disagreed with the statement. Further, 81.7% agreed that our organization leadership gives employees autonomy in their work, 8.7% moderately agreed while 9.6% disagreed with the statement.

In addition, 76.1% of the respondents agreed that there is effective communication between the leaders and the employees in our organization, 7.8% moderately agreed while 16.1% disagreed. 79.5% agreed that our leadership engages in employee motivation in an enthusiastic manner; 2.5% moderately agreed while 18% disagreed with the statement. Lastly, 69.5% agreed that our organization sets goals that are achievable, 5.4% moderately agreed while 25.1% disagreed with the statement. Using a five-point scale Likert mean, the overall mean of the responses was 3.97 which indicates that majority of the respondents agreed with the statements about inspirational motivation. Additionally, the standard deviation of 1.17 indicates that the responses were varied.

The study findings concur with Ansar et al. (2016) who investigated the impact of charismatic leadership style on organizational effectiveness and concluded that charismatic leaders enhance organizational effectiveness and positive organizational

outcomes such as organizational commitment. Waiyaki (2017) also established that motivation enhanced employee performance. The results herein imply that inspirational motivation affects the performance of commercial banks in Kenya.

Table 4.11 : Inspirational Motivation

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
Our organization leadership encourages teamwork.	5.90%	11.50%	2.20%	38.80%	41.60%	3.99	1.20
Our organization leadership communicates what needs to be done.	5.00%	5.60%	3.40%	41.90%	44.10%	4.15	1.06
Our organization leadership gives employees autonomy in their work.	3.40%	6.20%	8.70%	41.00%	40.70%	4.09	1.02
There is effective communication between the leaders and the employees in our organization.	7.10%	9.00%	7.80%	34.50%	41.60%	3.94	1.22
Our organization leadership engages in employee motivation in an enthusiastic manner.	5.90%	12.10%	2.50%	40.70%	38.80%	3.94	1.20
Our organization sets goals that are achievable.	9.20%	15.90%	5.40%	33.90%	35.60%	3.71	1.34
Average						3.97	1.17

4.5.2 Correlation Analysis

Results in table 4.12 indicate the correlation results between inspirational motivation and performance of commercial banks in Kenya. The results revealed that there was a positive and significant association between inspirational motivation and performance of commercial banks ($r=0.746$, $p=0.000$). This means that both inspirational motivation and performance of commercial banks change in the same direction. Further, the correlation coefficient of 0.746 reveals a strong association between inspirational motivation and performance of commercial banks in Kenya.

The study findings concurred with Sadeghi and Pihie (2012) assertion that leaders need to be good communicators for them to be able to package and convey their vision to followers and thereby motivate reciprocal action towards realization of intended goals. Further, Mutimba and Kanyua (2017) concluded that motivation improves overall productivity.

Table 4.12: Correlation Matrix

		Performance	Inspirational Motivation
Performance	Pearson		
	Correlation	1.000	
	Sig. (2-tailed)		
Inspirational Motivation	Pearson		
	Correlation	.746**	1.000
	Sig. (2-tailed)	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

4.5.3 Regression Analysis

The study sought to establish the relationship between inspirational motivation and performance of commercial banks. An ordinary least square regression model was used. The results of the model summary are given in Table 4.13. The findings revealed that inspirational motivation explained 55.5% of the total variations in performance of commercial banks in Kenya. This is supported by coefficient of determination also known as the R square of 55.6%.

Table 4.13: Model Fitness

Indicator	Coefficient
R	0.746
R Square	0.556
Adjusted R Square	0.555
Std. Error of the Estimate	0.2605079

Table 4.14 provides the results on the analysis of variance (ANOVA). The results indicate that the overall model was statistically significant. This was supported by the reported F statistic of 367.048 which was greater than the critical value of 3.84. The results were further supported by a reported p value of 0.000 which was less than the conventional probability of 0.05. The results imply that the model linking inspirational motivation to performance is statistically significant.

Table 4.14: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	24.909	1	24.909	367.048	.000 ^b
Residual	19.884	293	.068		
Total	44.794	294			

Table 4.15 presents the regression of coefficients results. The findings show that there is a positive and significant relationship between inspirational motivation and

performance of commercial banks in Kenya as supported by p value of 0.000 and beta coefficient of 0.779. This implies that an increase in inspirational motivation by 1 unit would increase the performance of commercial banks by 0.779 units.

The study findings agree with that of Kimeto (2017) who established the influence of inspirational motivation on organizational commitment in commercial banks in Kenya. The study findings indicated that inspirational motivation significantly predicted organizational commitment. In addition, Ansar et al. (2016) investigated the impact of charismatic leadership style on organizational effectiveness and concluded that charismatic leaders enhance organizational effectiveness and positive organizational outcomes such as organizational commitment.

Table 4.15: Regression of Coefficients

	B	Std. Error	t	Sig.
(Constant)	.996	.177	5.630	.000
Inspirational Motivation	.779	.041	19.159	.000

The specific model;

$$Y = \beta_0 + \beta_1 X_1 + e$$

$$\text{Performance} = 0.996 + 0.779 \text{ Inspirational Motivation}$$

4.5.4 Hypotheses Testing

The hypothesis was tested using the ordinary least square regression. The acceptance/rejection criteria were that, if the calculated t statistic was greater than the critical t statistics (1.96), the H_0 is rejected but if it less than 1.96, the H_0 fails to be rejected. The null hypothesis was that Inspirational Motivation does not have a significant influence on the performance of commercial banks in Kenya. The regression of coefficient results showed that the calculated t statistic (19.159) was greater than the critical t statistics (1.96). This indicated that the null hypothesis was

rejected hence inspirational performance has a significant effect on the Performance of commercial banks.

4.6 Intellectual Stimulation and Performance of Commercial banks in Kenya

The third objective of the study was to determine the influence of intellectual stimulation on the performance of commercial banks in Kenya. Using a five-point Likert scale, the study sought to know respondents' level of agreement on various statements relating to intellectual stimulation.

4.6.1 Descriptive Statistics Analysis

Descriptive statistics such as frequency, percentage, mean and standard deviation were jointly used to summarize the responses as presented in Table 4.16. Results revealed that majority of the respondents who were 86.1% (42.4%+43.7%) agreed with the statement that our organization leadership encourages innovation amongst employees, 2.4% moderately agreed while 11.5% disagreed. Also, 88.1% of the respondents agreed that our organization leadership encourages employees to be problem solvers by giving them an opportunity to handle challenging tasks, 1.7% moderately agreed while 10.1% disagreed with the statement. Further, 79.7% agreed that our organization leadership challenges employees to take calculated risks, 3.1% moderately agreed while 17.3% disagreed with the statement. In addition, 84.4% agreed that our organization leadership encourages participative leadership where all employees are involved in decision making, 3.1% moderately agreed while 12.5% disagreed. Lastly, 82.4% agreed with the statement that employees in our organization are encouraged to critically re-examine their decisions, 2.4% moderately agreed while 15.3% disagreed with the statement.

Using a five-point scale Likert mean, the overall mean of the responses was 4.09 which indicates that majority of the respondents agreed with the statements about idealized influence. Additionally, the standard deviation of 1.19 indicates that the responses were varied. The study findings agree with that of Wah (2010) who found a significant relationship between transformational leadership and innovation performance. The results herein imply that intellectual stimulation affects the

performance of commercial banks in Kenya.

Table 4.16: Intellectual Stimulation

Statements	Strongly disagree	Disagree	moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
Our organization leadership encourages innovation among the employees.	3.70%	7.80%	2.40%	42.40%	43.70%	4.15	1.04
Our organization leadership encourages employees to be problem solvers by giving them an opportunity to handle challenging tasks.	3.70%	6.40%	1.70%	47.10%	41.00%	4.15	1.00
Our organization leadership challenges employees to take calculated risks.	5.10%	12.20%	3.10%	39.00%	40.70%	3.98	1.18
Our organization leadership encourages participative leadership where all employees are involved in decision making.	4.70%	7.80%	3.10%	44.70%	39.70%	4.07	1.08
Employees in our organization are encouraged to critically re-examine their decisions.	5.10%	10.20%	2.40%	34.60%	47.80%	4.10	1.17
Average						4.09	1.09

4.6.2 Correlation Analysis

Results in table 4.17 indicate the correlation results between intellectual stimulation and performance of commercial banks in Kenya. The results revealed that there was a positive and significant association between intellectual stimulation and performance of commercial banks ($r=0.509$, $p=0.000$). This means that both intellectual stimulation and performance of commercial banks change in the same direction. Further, the correlation coefficient of 0.864 reveals a strong association between intellectual stimulation and performance of commercial banks in Kenya.

However, the study findings disagree with that of Samaitan (2014) who examined the impact of leadership style on organizational performance in commercial Banks in Kenya. The study found negative correlation between leadership style and organizational performance

Table 4.17: Correlation Matrix

		Performance	Intellectual Stimulation
Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Intellectual Stimulation	Pearson Correlation	.509**	1.000
	Sig. (2-tailed)	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

4.6.3 Regression Analysis

The study sought to establish the relationship between intellectual stimulation and performance of commercial banks. An ordinary least square regression model was used. The results of the model summary are given in Table 4.18. The findings revealed that intellectual stimulation explained 25.9% of the total variations in performance of commercial banks in Kenya. This is supported by coefficient of determination also known as the R square of 25.7%.

Table 4.18: Model Fitness

Indicator	Coefficient
R	0.509
R Square	0.259
Adjusted R Square	0.257
Std. Error of the Estimate	0.3364954

Table 4.19 provides the results on the analysis of variance (ANOVA). The results indicate that the overall model was statistically significant. This was supported by the reported F statistic of 102.603 which is greater than the critical value of 3.84. The results were further supported by a reported p value of 0.000 which was less than the conventional probability of 0.05. The results imply that the model linking intellectual stimulation to performance is statistically significant.

Table 4.19: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	11.618	1	11.618	102.603	.000 ^b
Residual	33.176	293	.113		
Total	44.794	294			

Table 4.20 presents the regression of coefficients results. The findings show that there is a positive and significant relationship between intellectual stimulation and performance of commercial banks in Kenya as supported by p value of 0.000 and beta coefficient of (0.596). This implies that an increase in intellectual stimulation by 1 unit would increase the performance of commercial banks by 0.596 units.

The study findings agree with that of Feng, Huang and Zhang (2016) who observed that to spur innovation at the leadership level, leaders must be proactive by developing adequate plans and schedules for generation and implementation of new ideas. Leadership can enhance the senior management's tendency to contribute to the organization's creative process by openly sharing their knowledge with their peers.

Table 4.20: Regression of Coefficients

	B	Std. Error	t	Sig.
(Constant)	1.753	.259	6.755	.000
Intellectual Stimulation	.596	.059	10.129	.000

The specific model;

$$Y = \beta_0 + \beta_1 X_1 + e$$

$$\text{Performance} = 1.753 + 0.596 \text{ Intellectual Stimulation}$$

4.6.4 Hypothesis Testing

The hypothesis was tested by using the ordinary least square regression. The acceptance/rejection criteria were that, if the calculated t statistic was greater than the critical t statistics (1.96), the H_0 is rejected but if it less than 1.96, the H_0 fails to be rejected, The null hypothesis was that intellectual stimulation does not have a

significant influence on the performance of commercial banks in Kenya. The regression of coefficient results showed that the calculated t statistic (10.129) was greater than the critical t statistics (1.96). This indicated that the null hypothesis was rejected hence intellectual stimulation has a significant effect on the Performance of commercial banks.

4.7 Individual Consideration and Performance of Commercial banks in Kenya

The fourth objective of the study was to determine the influence of individual consideration on the performance of commercial banks in Kenya. Using a five-point Likert scale, the study sought to know respondents' level of agreement on various statements relating to individual consideration.

4.7.1 Descriptive Statistics Analysis

Descriptive statistics such as frequency, percentage, mean and standard deviation were jointly used to summarize the responses as presented in Table 4.21. Results revealed that majority of the respondents who were 79% (33.6%+45.4%) agreed with the statement our organization leadership encourages employees' career growth and development 1.7% moderately agreed while 19.3% disagreed. Also, 77.3% of the respondents agreed that our organization leadership has invested heavily in employee coaching, 1.4% moderately agreed while 21.4% disagreed with the statement. 75.2% agreed that there is effective delegation of duties within our organization, which enhances productivity, 1.4% moderately agreed while 23.4% disagreed with the statement. Further, 73.2% of the respondents agreed that our organization leadership pays key attention to employees' strengths, 1.7% moderately agreed while 25.1% disagreed. 86.4% agreed that our organization leaders are approachable and friendly, 1% moderately agreed while 12.6% disagreed. In addition, 77% agreed that our organization leadership has invested heavily in employee mentorship while 23% disagreed with the statement.

Lastly, 78.6% of the respondents agreed with the statement that our organization leaders offer personal and career advice to the employees while 21.4% disagreed with the statement. Using a five-point scale Likert mean, the overall mean of the

responses was 3.9 which indicates that majority of the respondents agreed with the statements about individual consideration. Additionally, the standard deviation of 1.26 indicates that the responses were varied.

The study findings agree with that of Cox and Jackson (2010) who noted that leaders who succeed believe they have the skills and experience necessary to coach their employees. They perceive self-efficacy and the right skills to establish trust and build good relations with their employees. The results herein imply that individual consideration affects the performance of commercial banks in Kenya.

Table 4.21: Individual Consideration

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
Our organization leadership encourages employees' career growth and development	6.80%	12.50%	1.70%	33.60%	45.40%	3.98	1.26
Our organization leadership has invested heavily in employee coaching.	8.50%	12.90%	1.40%	34.90%	42.40%	3.90	1.31
There is effective delegation of duties within our organization, which enhances productivity	9.20%	14.20%	1.40%	41.00%	34.20%	3.77	1.31
Our organization leadership pays key attention to employees' strengths.	9.20%	15.90%	1.70%	41.00%	32.20%	3.71	1.31
Our organization leaders are approachable and friendly	5.10%	7.50%	1.00%	41.70%	44.70%	4.14	1.10
Our organization leadership has invested heavily in employee mentorship	11.20%	11.80%	0.00%	37.30%	39.70%	3.82	1.36
Our organization leaders offer personal and career advice to the employees.	3.10%	18.30%	0.00%	36.60%	42.00%	3.96	1.20
Average						3.90	1.26

4.7.2 Correlation Analysis

Results in table 4.22 indicate the correlation results between individual consideration and performance of commercial banks in Kenya. The results revealed that there was a positive and significant association between individual consideration and performance of commercial banks ($r=0.608$, $p=0.000$). This means that both individual consideration and performance of commercial banks change in the same direction. Further, the correlation coefficient of 0.608 reveals a strong association between individual consideration and performance of commercial banks in Kenya.

The study findings concur with that of Teymournejad and Elghaei (2016) who found that Transformational leadership as a whole and each of its dimensions, idealized influence, intellectual stimulation, individualized consideration and inspirational motivation have a significant and positive effect on creativity of Maskan Bank employees.

Table 4.22: Correlation Matrix

		Performance	Individual Consideration
performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Individual consideration	Pearson Correlation	.608**	1.000
	Sig. (2-tailed)	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

4.7.3 Regression Analysis

The study sought to establish the relationship between individual consideration and performance of commercial banks. An ordinary least square regression model was used. The results of the model summary are given in Table 4.23. The findings revealed that individual consideration explained 36.7% of the total variations in performance of commercial banks in Kenya. This is supported by coefficient of determination also known as the R square of 36.9%.

Table 4.23: Model Fitness

Indicator	Coefficient
R	0.608
R Square	0.369
Adjusted R Square	0.367
Std. Error of the Estimate	0.3105498

Table 4.24 provides the results on the analysis of variance (ANOVA). The results indicate that the overall model was statistically significant. This was supported by the reported F statistic of 171.467 which is greater than the critical value of 3.84. The results were further supported by a reported p value of 0.000 which was less than the conventional probability of 0.05. The results imply that the model linking individual consideration to performance is statistically significant.

Table 4.24: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	16.537	1	16.537	171.467	.000 ^b
Residual	28.257	293	.096		
Total	44.794	294			

Table 4.25 presents the regression of coefficients results. The findings show that there is a positive and significant relationship between individual consideration and performance of commercial banks in Kenya as supported by a p value of 0.000 and a beta coefficient of 0.619. This implies that an increase in individual consideration by 1 unit would increase the performance of commercial banks by 0.619 units.

The study findings concur with that of Teymournejad and Elghaei (2016) who found that Transformational leadership as a whole and each of its dimensions, idealized influence, intellectual stimulation, individualized consideration and inspirational motivation have a significant and positive effect on creativity of Maskan Bank employees.

Table 4.25: Regression of Coefficients

	B	Std. Error	t	Sig.
(Constant)	1.660	.208	7.978	.000
Individual Consideration	.619	.047	13.095	.000

The specific model;

$$Y = \beta_0 + \beta_1 X_1 + e$$

$$\text{Performance} = 1.660 + 0.619 \text{ Individual Consideration}$$

4.7.4 Hypothesis Testing

The hypothesis was tested by using the ordinary least square regression. The acceptance/rejection criteria were that, if the calculated t statistic was greater than the

critical t statistics (1.96), the H_0 is rejected but if it less than 1.96, the H_0 fails to be rejected. The null hypothesis was that Individualized Consideration does not have a significant influence on the performance of commercial banks in Kenya. The regression of coefficient results showed that the calculated t statistic (13.095) was greater than the critical t statistics (1.96). This indicated that the null hypothesis was rejected hence individual consideration has a significant effect on the Performance of commercial banks.

4.8 Organization Culture and Performance of Commercial banks in Kenya

The fifth objective of the study was to assess the moderating influence of organization culture on the relationship between transformation leadership and performance of commercial banks in Kenya. Using a five-point Likert scale, the study sought to know respondents' level of agreement on various statements relating to organization culture.

4.8.1 Descriptive Statistics Analysis

Descriptive statistics such as frequency, percentage, mean and standard deviation were jointly used to summarize the responses as presented in Table 4.26. Results revealed that majority of the respondents who were 88.2% (44.1%+44.1%) agreed with the statement that our organization has vision that guides all the stakeholders, 2.4% moderately agreed while 9.5% disagreed. 84.4% of the respondents agreed that our organization has set rules and regulations that are practical to our employees and clients, 4.1% moderately agreed while 11.6% respondent disagreed with the statement. 74.9% agreed that employees in our organization are highly valued, 3.1% moderately agreed while 22% disagreed with the statement.

In addition, 77.7% of the respondents agreed that our organization has a culture that defines how things are done, 4.1% moderately agreed while 18.3% disagreed. 75.3% agreed with the statement that our organization requires employees to wear working badges whenever they are on duty, 1.7% respondent moderately agreed while 23.1% disagreed with the statement. 83.4% agreed that our organization has a mission that guides all the stakeholders, 1.7% moderately agreed while 14.9% disagreed with the

statement. 73.2% agreed that our organization has set rules and regulations that are fair to both our employees and clients, 2.4% moderately agreed while 24.4% disagreed.

Lastly, 76.2% agreed that our organization has goals that guide all the stakeholders, 6.8% moderately agreed while 16.9% disagreed with the statement. Using a five-point scale Likert mean, the overall mean of the responses was 3.93 which indicates that majority of the respondents agreed with the statements about organization culture. Additionally, the standard deviation of 1.22 indicates that the responses were varied. The results herein imply that organization culture impacts the performance of commercial banks in Kenya.

The findings concur with that of Tsai (2011) who did a study on the relationship between organizational culture, leadership behavior and job satisfaction and concluded that organizational cultures were significantly (positively) correlated with leadership behavior and job satisfaction, and leadership behavior was significantly (positively) correlated with job satisfaction. Similarly, Shakil (2012), studied the impact of organizational culture on management practices and established a link between organizational cultures and management practices

Table 4.26: Individual Consideration

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
Our organization has vision that guides all the stakeholders.	2.00%	7.50%	2.40%	44.10%	44.10%	4.21	0.95
Our organization has set rules and regulations that are practical to our employees and clients.	3.10%	8.50%	4.10%	41.70%	42.70%	4.13	1.03
Employees in our organization are highly valued.	10.50%	11.50%	3.10%	34.90%	40.00%	3.82	1.35
Our organization has a culture that defines how things are done.	9.80%	8.50%	4.10%	42.40%	35.30%	3.85	1.27
Our organization requires employees to wear working badges whenever they are on duty	11.90%	11.20%	1.70%	39.00%	36.30%	3.77	1.36
Our organization has a mission that guides all the stakeholders.	6.80%	8.10%	1.70%	40.00%	43.40%	4.05	1.18
Our organization has set rules and regulations that are fair to both our employees and clients	9.80%	14.60%	2.40%	36.30%	36.90%	3.76	1.35
Our organization has goals that guide all the stakeholders.	8.80%	8.10%	6.80%	39.30%	36.90%	3.87	1.24
Average						3.93	1.22

4.8.2 Hypotheses Testing for the Moderator (Organization Culture)

The fifth objective of the study was to assess the moderating influence of organization culture on the relationship between transformation leadership and performance of commercial banks in Kenya. The study adopted Ongore and Kusa (2013) approach where moderation effect is tested per objective. Results in Table

4.27 shows that organization culture moderated the relationship between idealized influence, inspirational motivation, intellectual stimulation and performance of commercial banks. This was supported by the interaction term $p\text{-value} < 0.05$. However, the moderation effect of organization culture on the relationship between individualized consideration and performance was not supported as shown by the interaction term $p\text{-value} > 0.05$.

Table 4.27: Moderation Effect

	Model 1	Model 2	Model 3	Model 4
(Constant)	4.083(0.004)	3.734(0.006)	2.865(0.047)	0.539(0.623)
β_1	-0.912(0.005)	-0.716(0.021)	-0.634(0.056)	-0.065(0.797)
β_2	-0.043(0.898)	-0.109(0.742)	0.224(0.502)	0.752(0.004)
β_3	0.235(0.002)	0.223(0.003)	0.174(0.024)	0.045(0.440)

Model 1: $Y = 4.083 - 0.912X_1 - 0.043X_2 + 0.235X_1.X_2$

Where;

X_1 = Idealized Influence

X_2 = Organization Culture

$X_1.X_2$ = Interaction term

Model 2: $Y = 3.734 - 0.716X_1 - 0.109X_2 + 0.223X_1.X_2$

Where;

X_1 = Inspirational Motivation

X_2 = Organization Culture

$X_1.X_2$ = Interaction term

Model 3: $Y = 2.865 - 0.634X_1 + 0.224X_2 + 0.174X_1.X_2$

Where;

X_1 = Intellectual Stimulation

X_2 = Organization Culture

$X_1.X_2$ = Interaction term

Model 4: $Y = 0.539 - 0.065X_1 + 0.752X_2 + 0.045X_1.X_2$

Where;

X_1 = Individual Consideration

X_2 = Organization Culture

$X_1.X_2$ = Interaction term

4.9 Performance of Commercial banks in Kenya

The study's dependent variable was performance of Commercial banks in Kenya. Using a five-point Likert scale, the study sought to know respondents' level of agreement on various statements relating to the performance of commercial banks.

4.9.1 Descriptive Statistics Analysis

Descriptive statistics such as frequency, percentage, mean and standard deviation were jointly used to summarize the responses as presented in Table 4.28. Results revealed that majority of the respondents who were 74.9% (36.6%+38.3%) agreed with the statement that effective transformational leadership has increased the market share of our organization, 2.7% moderately agreed while 22.4% disagreed. Also, 82.4% of the respondents agreed that our organization's transaction volume has increased due to effective transformational leadership, 4.4% moderately agreed while 13.3% disagreed with the statement. Further, 81.7% agreed that effective transformational leadership has improved our organization's profitability, 2% moderately agreed while 16.3% disagreed with the statement.

In addition, 84.1% of the respondents agreed that effective transformational leadership has increased employees' job satisfaction in our organization, 2% moderately agreed while 13.9% disagreed. Lastly, 72.6% of the respondents agreed that effective transformational leadership has increased our organization's customer base, 2.7% moderately agreed while 24.8 disagreed with the statement. Using a five-point scale Likert mean, the overall mean of the responses was 3.94 which indicates that majority of the respondents agreed with the statements about performance. Additionally, the standard deviation of 1.24 indicates that the responses were varied. The results herein imply that transformation leadership influences performance.

Table 4.28: Performance of the Commercial Banks

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
Effective transformational leadership has increased the market share of our organization.	11.90%	10.50%	2.70%	36.60%	38.30%	3.79	1.36
Our organization's transaction volume has increased due to effective transformational leadership.	5.80%	7.50%	4.40%	42.70%	39.70%	4.03	1.12
Effective transformational leadership has improved our organization's profitability.	7.80%	8.50%	2.00%	40.70%	41.00%	3.99	1.22
Effective transformational leadership has increased employees' job satisfaction in our organization.	5.40%	8.50%	2.00%	36.60%	47.50%	4.12	1.15
Effective transformational leadership has increased our organization's customer base.	9.50%	15.30%	2.70%	36.30%	36.30%	3.75	1.34
Average						3.94	1.24

4.10 Overall Correlation Analysis

The overall correlation analysis results in table 4.29 revealed a positive and a strong significant association between idealized influence and performance of commercial banks ($r=0.651$, $p=0.000$). The results also indicated a positive and a strong significant association between inspirational motivation and performance of commercial banks ($r=0.746$, $p=0.000$). Further, results revealed a positive and a strong significant association intellectual stimulation and performance of commercial banks ($r=0.509$, $p=0.000$). In addition, results found a positive and a strong significant association between individualized consideration and performance of commercial banks ($r=0.608$, $p=0.000$).

Table 4.29: Overall Correlation Matrix

		Perfor mance	Idealized Influence	Inspira tional Motivation	Intellectual Stimulation	Individualized Consideration
Performance	Pearson Correlation	1.000				
	Sig. (2-tailed)					
Idealized Influence	Pearson Correlation	.651*	1.000			
	Sig. (2-tailed)	.000				
Inspirational Motivation	Pearson Correlation	.746*	.697**	1.000		
	Sig. (2-tailed)	0.000	0.000			
Intellectual Stimulation	Pearson Correlation	.509*	.473**	.436**	1.000	
	Sig. (2-tailed)	.000	.000	.000		
Individualize d Consideratio n	Pearson Correlation	.608*	.697**	.701**	.405**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	

** Correlation is significant at the 0.01 level (2-tailed).

4.11 Multivariate Regression Analysis before Moderation

The results presented in Table 4.30 present the fitness of model used of the regression model in explaining the study phenomena. Idealized influence, inspirational motivation, intellectual stimulation and individual consideration were found to be satisfactory variables in explaining the performance of commercial banks. This is supported by coefficient of determination also known as the R square of 61.2%. This means that idealized influence, inspirational motivation, intellectual stimulation and individual consideration explain 61.7% of the total variations in the dependent variable which is performance of commercial banks.

Table 4.30: Model Fitness

Variables	Coefficients
R	0.786
R Square	0.617
Adjusted R Square	0.612
Std. Error of the Estimate	0.2430702

Table 4.31 provides the results on the analysis of the variance (ANOVA). In statistics significance testing the p-value indicates the level of relation of the independent variable to the dependent variable. If the significance number found is less than the critical value also known as the probability value (p) which is statistically set at 0.05, then the conclusion would be that the model is significant in explaining the relationship; else the model would be regarded as non-significant. The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of organizational performance. This was supported by the reported F statistic of 117.037 which is greater than the critical value of 2.37. The results were further supported by a reported p value of 0.000 which was less than the conventional probability of 0.05. The results imply that the model linking transformation leadership dimensions to performance is statistically significant.

Table 4.31: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	27.660	4	6.915	117.037	.000 ^b
Residual	17.134	290	.059		
Total	44.794	294			

Regression of coefficients results in table 4.32 shows that idealized influence and performance of commercial banks are positively and significantly related ($\beta=0.189$, $p=0.003$). The results also indicate that inspirational motivation and performance of commercial banks are positively and significantly related ($\beta=0.527$, $p=0.000$). It was further revealed that intellectual stimulation and performance of commercial banks

are positively and significantly related ($\beta=0.217$, $p=0.000$). Lastly, the results showed that individual consideration and performance of commercial banks are positively and significantly related ($\beta=0.363$, $p=0.001$).

Table 4.32: Regression of Coefficient

	β	Std. Error	t	sig
(Constant)	.043	.218	.196	.845
Idealized Influence	.189	.064	2.964	.003
Inspirational Motivation	.527	.059	8.969	.000
Intellectual Stimulation	.217	.049	4.417	.000
Individual Consideration	.363	.071	5.104	.001

Thus, the optimal model for the study is;

$$\text{Performance} = 0.043 + 0.189X_1 + 0.527X_2 + 0.217X_3 + 0.363X_4$$

Where

X_1 = Idealized Influence

X_2 = Inspirational Motivation

X_3 = Intellectual Stimulation

X_4 = Individual Consideration

4.12 Multivariate Regression Analysis after Moderation

Results in table 4.33, shows the moderating effect of organization culture on the relationship between transformation leadership dimensions and performance of commercial banks in Kenya. The regression after moderation (Ongore and Kusa, 2013) was conducted and yielded the following model fitness statistics. The R^2 was 0.795, which implies that 79.5% of the total variation in Performance of commercial banks (Y) was explained by the independent variables ($X_{1.M}$, $X_{2.M}$, $X_{3.M}$ and $X_{4.M}$). A comparison between the R^2 before moderation and R^2 after moderation revealed that the R^2 improved from 61.7% to 79.5%. This is an indication that

organization culture moderates the relationship between transformation leadership dimensions and performance of commercial banks in Kenya.

Table 4.33: Moderating Effect of Organization Culture

	β	Std. Error	t	Sig.
(Constant)	1.846	.081	22.838	.000
X ₁ .M	.003	.012	.251	.802
X ₂ .M	.078	.011	7.108	.000
X ₃ .M	.037	.008	4.426	.000
X ₄ .M	.016	.010	1.586	.114
R ²	0.795			
Adjusted R ²	0.792			
F statistics	281.704			
P value	0.000			

The model after moderation is;

$$Y = \beta_0 + M (\beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4) + e$$

$$\text{Performance} = 1.846 + 0.003(X_{1.M}) + 0.078(X_{2.M}) + 0.037(X_{3.M}) + 0.016(X_{4.M})$$

Where,

Y= Performance of commercial Banks

X₁.M= Idealized Influence*Organization Culture

X₂.M= Inspirational Motivation*Organization Culture

X₃.M= Intellectual Stimulation*Organization Culture

X₄.M= Individual Consideration*Organization Culture

4.13 Summary of Hypotheses

This section presents the summary of hypotheses 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 level was tested at a critical P value of 0.05.

Table 4.34: Summery of Hypothesis Testing

Objective No	Objective	Hypothesis	Rule	P value	Comment
Objective 1	To determine the effect of idealized influence on the performance of commercial banks in Kenya.	H ₀₁ : Idealized influence does not have a significant influence on the performance of commercial banks in Kenya	Reject H ₀₁ if p value for idealized influence < 0.05	0.00 0	The null hypothesis was rejected; therefore Idealized influence has a significant influence on the performance of commercial banks in Kenya
Objective 2	To establish the influence of inspirational motivation on the performance of commercial banks in Kenya	H ₀₂ : Inspirational Motivation does not have a significant influence on the performance of commercial banks in Kenya	Reject H ₀₂ if p value for inspirational motivation < 0.05	0.00 0	The null hypothesis was rejected; therefore Inspirational Motivation has a significant influence on the performance of commercial banks in Kenya
Objective 3	To analyze the influence of intellectual stimulation of on the performance of commercial banks in Kenya	H ₀₃ : Intellectual Stimulation does not have a significant influence on the performance of commercial banks in Kenya	Reject H ₀₃ if p value for intellectual stimulation < 0.05	0.00 0	The null hypothesis was rejected; therefore Intellectual Stimulation has a significant influence on the performance of commercial banks in Kenya
Objective 4	To explore the influence of individualized consideration on the performance of commercial banks in Kenya.	H ₀₄ : Individualized Consideration does not have a significant influence on the performance of commercial banks in Kenya	Reject H ₀₄ if p value for individualized consideration < 0.05	0.00 0	The null hypothesis was rejected; therefore Individualized Consideration has a significant influence on the performance of commercial banks in Kenya
Objective 5	To assess the moderating influence of organization culture on the relationship between transformation leadership and performance of commercial banks in Kenya.	H ₀₅ : Organization Culture does not have a significant moderating influence on the relationship between transformation leadership and performance of commercial banks.	Reject H ₀₅ if p value for organization culture < 0.05	0.00 0	The null hypothesis was rejected; therefore organization Culture has a significant moderating influence on the relationship between transformation leadership and performance of commercial banks.

4.14 Optimal Model

Based on the results in Table 4.32 a model optimization was conducted. The aim of model optimization was to guide in derivation of the final model (revised conceptual framework) where only the significant variables are included for objectivity. No variable was dropped since all the variables were significant. The variables were arranged in order of significant as follows; inspirational motivation, individual consideration, intellectual stimulation and idealized influence. This implied that inspirational motivation best explains performance of commercial banks followed by individual consideration, then intellectual stimulation and lastly idealized influence.

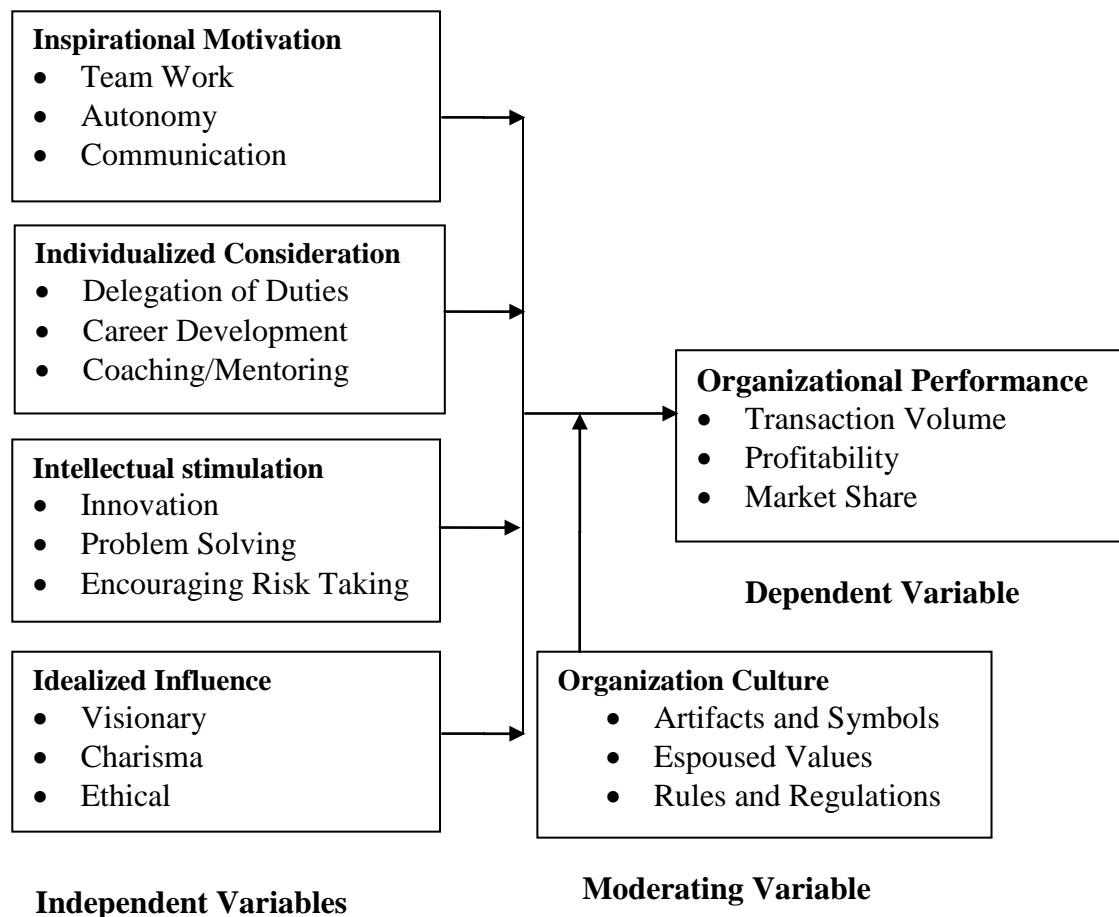


Figure 4.1: Revised Conceptual Framework

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of major findings of this study. It sets out the relevant conclusions and makes recommendations for practice and suggestions for further research based on the findings of the study. The study sought to examine the influence of transformation leadership on the performance of commercial banks in Kenya.

5.2 Summary of Findings

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

5.2.1 Idealized Influence

The first objective of the study was to determine the effect of idealized influence on the performance of commercial banks in Kenya. Descriptive results revealed that commercial banks have clearly articulated vision, employees consider the moral and ethical consequences of decisions they make, the leadership is characterized by charismatic leaders who portray humor and good communication, the leadership boosts the morale of the employees and that leadership emphasizes the importance of goal setting. The correlation analysis showed that idealized influence and performance of commercial banks are positively and significantly associated. Regression analysis indicated that idealized influence has a positive and significant effect on performance of commercial banks in Kenya. The hypothesis results indicated that there is a significant relationship between idealized influence and performance of commercial banks in Kenya.

5.2.2 Inspirational Motivation

The second objective of the study was to establish the influence of inspirational motivation on the performance of commercial banks in Kenya. Descriptive result revealed that majority of the commercial banks leadership encourages teamwork, communicates what needs to be done, gives employees autonomy in their work, enhances effective communication between the leaders and employees in the organization and that the leadership engages in employee motivation. The correlation analysis showed that inspirational motivation and performance of commercial banks are positively and significantly associated. Regression analysis indicated that inspirational motivation has a positive and significant effect on the performance of commercial banks in Kenya. The hypothesis results indicated that there is a significant relationship between inspirational motivation and the performance of commercial banks in Kenya.

5.2.3 Intellectual Stimulation

The third objective of the study was to analyze the influence of intellectual stimulation on the performance of commercial banks in Kenya. Descriptive results indicated that majority of the organization leadership encourages innovation among the employees, encourages employees to be problem solvers by giving them an opportunity to handle challenging tasks, challenges employees to take calculated risks, encourages participative leadership where all employees are involved in decision making and that employees are encouraged to critically re-examine their decisions. The correlation analysis showed that intellectual stimulation and performance of commercial banks are positively and significantly associated. Regression analysis indicated that intellectual stimulation has a positive and significant effect on the performance of commercial banks in Kenya. The hypothesis results indicated that there is a significant relationship between intellectual stimulation and the performance of commercial banks in Kenya.

5.2.4 Individual Consideration

The fourth objective of the study was to explore the influence of individual consideration on the performance of commercial banks in Kenya. Descriptive results indicated that majority of the organization leadership encourages employees' career growth and development and has invested heavily in employee coaching. Also, there is effective delegation of duties within the organizations, which enhances productivity. Further, leadership pays key attention to employees' strengths. In addition, the organization leaders are approachable and friendly, and have invested heavily in employee mentorship and offer personal and career advice to employees. The correlation analysis showed that individual consideration and performance of commercial banks are positively and significantly associated. Regression analysis indicated that individual consideration has a positive and significant effect on the performance of commercial banks in Kenya. The hypothesis results indicated that there is a significant relationship between individual consideration and performance of commercial banks in Kenya.

5.2.5 Organization Culture

The fifth objective of the study was to assess the moderating influence of organization culture on the relationship between transformation leadership and performance of commercial banks in Kenya. Descriptive results indicated that majority of the organization have vision that guides all the stakeholders, they set rules and regulations which are practical to their employees and customers, employees are highly valued, have a culture that defines how things are done and that the organizations have goals that guide all the stakeholders. Further, results revealed that organization culture moderates the relationship between transformation leadership dimensions and performance of commercial banks in Kenya. Thus, the null hypothesis that organization culture does not have a significant moderating influence on the relationship between transformation leadership and performance of commercial banks was rejected.

5.3 Conclusion

Based on the findings, the study concluded that idealized influence affects the performance of commercial banks in Kenya. This can be explained by the regression results which showed that the effect was positive and also showed the magnitude by which idealized influence impact on the performance of commercial banks. The univariate regression results showed that idealized influence affected the performance of banks by 0.731 units. Further, the overall regression results revealed that idealized influence influenced the performance of banks by 0.189 units. This shows that the individual effect of idealized influence on the performance of banks is more than the joint influence (all the transformation leadership dimensions). This implies that the presence of other transformation leadership dimensions reduces the effect of idealized influence on the organizational performance.

The study also concluded that inspirational motivation affects the performance of commercial banks in Kenya. This can be explained by the regression results which showed that the effect was positive and also showed the magnitude by which inspirational motivation influenced the performance of commercial banks. The univariate regression results showed that inspirational motivation influenced the performance of banks by 0.779 units. Further, the overall regression results revealed that inspirational motivation influenced the performance of banks by 0.527units. This shows that the individual influence of inspirational motivation on the performance of banks is more than the joint influence (all the transformation leadership dimensions). This implies that the presence of other transformation leadership dimensions reduces the effect of inspirational motivation on the organizational performance.

Further, the study concluded that intellectual stimulation affects the performance of commercial banks in Kenya. This can be explained by the regression results which showed that the effect was positive and also showed the magnitude by which intellectual stimulation influenced the performance of commercial banks. The univariate regression results showed that intellectual stimulation influenced the performance of banks by 0.596 units. Further, the overall regression results revealed that intellectual stimulation influenced the performance of banks by 0.217units. This

shows that the individual influence of intellectual stimulation on the performance of banks is more than the joint influence (all the transformation leadership dimensions). This implies that the presence of other transformation leadership dimensions reduces the effect of intellectual stimulation on the organizational performance.

In addition, the study concluded that individual consideration affects the performance of commercial banks in Kenya. This can be explained by the regression results which showed that the effect was positive and also showed the magnitude by which individual consideration influenced the performance of commercial banks. The univariate regression results showed that individual consideration influenced the performance of banks by 0.619units. Further, the overall regression results revealed that individual consideration influenced the performance of banks by 0.363units. This shows that the individual influence of individual consideration on the performance of banks is more than the joint influence (all the transformation leadership dimensions). This implies that the presence of other transformation leadership dimensions reduces the effect of individual consideration on the organizational performance.

Finally, the study concluded that organization culture influenced the relationship between transformation leadership and performance of commercial banks in Kenya. This was supported by the regression results which revealed that organization culture had a significant moderating effect on the relationship between transformation leadership and performance of commercial banks in Kenya. Therefore, organization culture increases the overall impact of transformation leadership on performance of commercial banks.

5.4 Recommendations

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

5.4.1 Idealized Influence

The study established that idealized influence significantly affected the performance of commercial banks in Kenya. Therefore, the study recommended that the banks' leadership should consider applying the behaviors associated with idealized influence. These are; articulation of the organization's goals, role modeling and goal setting in promoting positive behaviors among employees that lead to performance improvement.

5.4.2 Inspirational Motivation

The study established that the inspirational motivation had a significant influence on the performance of commercial banks in Kenya. Therefore, the study recommended that the banks' leadership should encourage managers and employees to apply behaviors associated with inspirational motivation to improve the performance of the organization. These behaviors include clarity with which they communicate the organization's vision, inspiration motivation and encouraging team spirit. Managers can additionally reinforce inspirational motivation behaviors among their followers because they improve the effectiveness of a leader in realizing better performance results.

5.4.3 Intellectual Stimulation

The study established that intellectual stimulation had a significant effect on the performance of commercial banks in Kenya. Therefore, the study recommended that the banks' leadership should intellectually stimulates senior managers through challenging their assumptions, encouraging risk taking and promoting innovation. These behaviors have shown a positive influence on the performance of the banks and thus leaders may consider using intellectual stimulation behaviors as approaches for performance improvement for the commercial banks.

5.4.4 Individual Consideration

The study established that individualized consideration had a positive and significant influence on performance of commercial banks in Kenya. The study recommended

that commercial management should apply behaviors associated with individualized consideration. These include; empowerment, coaching and supporting the career development of managers as strategies to improve the organization performance.

5.5 Contribution to Theory, Policy and Practice

This research is expected to make significant contribution to theory, policy and practice in the field of governance and leadership. On theory, the study builds to the body of knowledge on the relationship between transformational leadership and organizational performance. Further, the study affirms the theoretical framework, and strengthens the various theories used to explain the variables. On policy, the study guides policy makers such as the CBK and bank managers on areas to streamline in the governance and leadership policy. Particular focus should be on transformational leadership that was found to have a significant predictive ability to determine organizational performance. On practice, the study informs bank management on how best to improve transformational leadership practices so as to enhance organizational performance.

5.6 Areas for Further Studies

The study sought to determine the influence of transformation leadership on organizational performance of commercial banks in Kenya and therefore an area for further studies could consider the influence of transformation leadership on other financial institutions such as insurance firms, capital markets and Micro Finance Institutions for the purpose of making a comparison of the findings with those of the current study. Future researchers could also consider introducing different variables other than organization culture in testing for moderation effect such as goal orientation, organization age and size. In addition, the findings indicated that the four transformational leadership practices (idealized influence, inspirational motivation, intellectual stimulation and individualized consideration explained 79 percent of changes in the dependent variable (organizational performance). Future studies could find out other transformational leadership practices that will account for the remaining 21 percent.

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APPENDICES

Appendix I: Introduction Letter

Kennedy Nyakomitta

P. O Box 71161 – 00200

NAIROBI

Dear Respondent,

I am a student at Jomo Kenyatta University of Agriculture and Technology pursuing my PHD in Leadership and Governance. I am conducting a study on the influence of transformation leadership on organizational performance of commercial banks in Kenya. Leadership in commercial banks has become the cornerstone in determination of success of banks and leadership styles differentiate one bank from the other. This study will help the researcher in understanding the factors influencing leadership in Kenyan banks. I would request for your co-operation in completing the attached questionnaire. Note that there is no right or wrong answer. I simply want your honest opinions. The questionnaire does not require you to personally identify yourself. Information will remain anonymous and confidential and will strictly be used for academic purposes

Thanking you for your participation in this study and may God bless you.

Yours faithfully,

Kennedy Nyakomitta

Identification Number (code): HD419 C003 8124 2015

Department: Human Resource Department

Date of interview: _____

Appendix II: Questionnaire

PART A: GENERAL INFORMATION

1. Kindly indicate your gender

- a) Female
- b) Male

2. Please indicate your age bracket

- a) Less than 30 years
- b) 31-35 years
- c) 36-40 years
- d) 41-45 years
- e) Above 45 years

3. Level of education

- a) College
- b) University
- c) Post graduate

4. How long have you been working in the bank

-
- a) Less than 5 years
- b) 5 to 10 years
- c) 11 to 15 years
- d) Over 15 years

PART B: ORGANIZATIONAL PERFORMNACE

This section is concerned with the performance of commercial banks in Kenya. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements. The measurement is as follows; **(1) strongly disagree, (2) disagree, (3) moderately agree, (4) agree, and (5) strongly agree.**

	Statement	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree
		1	2	3	4	5
1	Effective transformational leadership has increased the market share of our organization.					
2	Our organization's transaction volume has increased due to effective transformational leadership.					
3	Effective transformational leadership has improved our organization's profitability.					
4	Effective transformational leadership has increased employees' job satisfaction in our organization.					
5	Effective transformational leadership has increased our organization's customer base.					

In your opinion, how else has transformation leadership influenced the performance of your organization?

Explain

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.....

.....

PART C: IDEALIZED INFLUENCE

This Section is concerned with examining the effect of idealized influence on the performance of commercial banks in Kenya. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements. The measurement is as follows; (1) **strongly disagree**, (2) **disagree**, (3) **moderately agree**, (4) **agree**, and (5) **strongly agree**.

	Statement	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree
		1	2	3	4	5
1	Our organization has a clearly articulated vision, which has translated into improved performance.					
2	Our organization employees consider the moral and ethical consequences of decisions they make.					
3	Our organization leadership is characterized by charismatic leaders who portray humor and good communication.					
4	Our organization leadership instills pride in the employees and therefore boosting their morale.					
5	Our organization leadership emphasizes the importance of goal setting					

In your opinion, does idealized influence affect performance of your organization?

Explain

.....

.....

.....

PART D: INSPIRATIONAL MOTIVATION

This section is concerned with establishing the influence of inspirational motivation on the performance of commercial banks in Kenya. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements. The measurement is as follows; (1) **strongly disagree**, (2) **disagree**, (3) **moderately agree**, (4) **agree**, and (5) **strongly agree**.

	Statement	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree
		1	2	3	4	5
1	Our organization leadership encourages teamwork					
2	Our organization leadership communicates what needs to be done					
3	Our organization leadership gives employees autonomy in their work.					
4	There is effective communication between the leaders and the employees in our organization					
5	Our organization leadership engages in employee motivation in an enthusiastic manner.					
6	Our organization sets goals that are achievable.					

In your opinion, does inspirational motivation influence performance of your organization?

Explain

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PART E: INTELLECTUAL STIMULATION

This section is concerned with examining the influence of intellectual stimulation of on the performance of commercial banks in Kenya. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements. The measurement is as follows; (1) **strongly disagree**, (2) **disagree**, (3) **moderately agree**, (4) **agree**, and (5) **strongly agree**.

	Statement	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree
		1	2	3	4	5
1	Our organization leadership encourages innovation among the employees.					
2	Our organization leadership encourages employees to be problem solvers by giving them an opportunity to handle challenging tasks.					
3	Our organization leadership challenges employees to take calculated risks.					

	Statement	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree
		1	2	3	4	5
4	Our organization leadership encourages participative leadership where all employees are involved in decision making.					
5	Employees in our organization are encouraged to critically re-examine their decisions.					

In your opinion, does intellectual stimulation influence performance of your organization?

Explain

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PART F: INDIVIDUALIZED CONSIDERATION

This section is concerned with exploring the influence of individualized consideration on the performance of commercial banks in Kenya. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements. The measurement is as follows; **(1) strongly disagree, (2) disagree, (3) moderately agree, (4) agree, and (5) strongly agree.**

	Statement	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree
		1	2	3	4	5
1	Our organization leadership encourages employees' career growth and development					
2	Our organization leadership has invested heavily in employee coaching.					
3	There is effective delegation of duties within our organization, which enhances productivity					
4	Our organization leadership pays key attention to employees' strengths.					
5	Our organization leaders are approachable and friendly					
6	Our organization leadership has invested heavily in employee mentorship					
7	Our organization leaders offer personal and career advice to the employees.					

In your opinion, does individualized consideration influence performance of your organization?

Explain

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PART G: ORGANIZATION CULTURE

This section is concerned with assessing the moderating effect of organization culture on the relationship between transformational leadership style and performance of commercial banks in Kenya. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements. The measurement is as follows; **(1) strongly disagree, (2) disagree, (3) moderately agree, (4) agree, and (5) strongly agree.**

	Statement	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree
		1	2	3	4	5
1	Our organization has vision that guides all the stakeholders.					
2	Our organization has set rules and regulations that are practical to our employees and clients.					
3	Employees in our organization are highly valued.					
4	Our organization has a culture that defines how things are done.					
5	Our organization requires employees to wear working badges whenever they are on duty					
6	Our organization has a					

	Statement	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree
		1	2	3	4	5
	mission that guides all the stakeholders.					
7	Our organization has set rules and regulations that are fair to both our employees and clients					
8	Our organization has goals that guide all the stakeholders.					

In your opinion, does organization culture influence performance of your organization? Explain

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Appendix III: Commercial Banks in Kenya

	Tier 1 Banks
1	KCB
2	Equity Bank
3	Cooperative Bank
4	Standard Chartered
5	Barclays Bank
6	Diamond Trust Bank
7	Commercial Bank of Africa
	Tier 2 Banks
8	Bank of Africa
9	CFC Stanbic
10	Citi Bank
11	Chase Bank
12	Ecobank
13	Family Bank
14	Housing Finance
15	I&M
16	NIC
	Tier 3 Banks
17	ABC Bank
18	Consolidated and Development Bank
19	Consolidated Bank
20	Credit Bank
21	Development Bank
22	Equatorial Commercial Bank
23	Fidelity Bank
24	First Community Bank
25	Giro Bank
26	Guardian Bank
27	Gulf Africa
28	Habib A.G Zurich Bank
29	Habib Bank
30	Jamii Bora Bank
31	Middle East Bank
32	Oriental Commercial Bank
33	Paramount Universal
34	Paramount Universal Bank
35	Sidian Bank
36	Trans-National Bank
37	UBA Bank