EFFECTS OF STRATEGIC LEADERSHIP ON STRATEGIC CHANGE IN PAPER AND BOARD MANUFACTURING FIRMS IN KENYA

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DECLARATION AND RECOMMENDATION

Declaration

I declare that this research project is my original work and has not been submitted for examination in this or any other institution.

Signed ------------------------------------   Date -----------------------------

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Recommendation

This research project has been submitted for examination with my approval as the University Supervisors.

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DEDICATION

This research project is dedicated to my family for their unfailing love, care and support. The project is also dedicated to all colleagues, friends and brethrens who motivated and encouraged me along the way and above all to the Almighty God who gave me the peace, endurance and the grace throughout the entire period of the study and challenging moments of life when all seemed too hard as a rock.

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ABSTRACT

In the global economy of the 21st century competition is complex and intense. Without effective strategic leadership, manufacturing firm's efforts to achieve and sustain competitive advantage are greatly constrained. Organizational effectiveness emanating from strategic change is significant for an organization to achieve competitive advantage. Effective strategic leadership guides organizations to enhance strategic change whilst competing in turbulent and unpredictable environment. However, past results had demonstrated the importance of strategic leadership on strategic change; but few had empirically examined its effects on its effectiveness on organization processes with its distinctive strategic significance indicating consistence results. This study therefore, sought to examine the effect of strategic leadership on strategic change in the paper and board manufacturing firms in Kenya. The study was guided by Upper Echelon Theory. The objectives of the study were; to determine the effect of transformational leadership on strategic change, effect of transactional leadership on strategic change and the joint effects of both transactional and transformational leadership on strategic change in the paper and board manufacturing firms in Kenya. The target population comprised 84 paper and board manufacturing firms in Kenya with a sample of 70 firms used for the study. To achieve the objectives of the study, primary data was collected using a closed-ended structured questionnaire which was administered to the chief executive officers of the firms. The relationship between transformational and transactional leadership on strategic change was tested using Pearson's correlation and the effect of strategic leadership on strategic change was tested using multiple regression analysis. The findings were presented using charts, graphs and tables. The results revealed a significant positive relationship between transformational leadership and strategic change ($r=0.330$, $p<0.01$). There was also significant relationship between transactional leadership and strategic change ($r=0.348$, $p<0.01$). The study also demonstrated that transactional leadership were more effective on strategic change ($\beta = 0.314$) followed by transformational leadership on strategic change ($\beta = 0.287$). The study concluded that transformational and transactional leadership exploits and maintains core competencies on the paper and board manufacturing firm's strategic change implementation. Strategic leaders to initiate strategic change they need to know when and how to apply either transformational or transactional leadership. From the conclusion, the study recommends that executives in organizations need to engage employees when introducing strategic change. The approach ensures the achievement of strategic competitive advantage and reduces resistance to strategic change. The study, also recommended skill enhancement for strategic leadership, coaching and mentorship plans to enhance strategic leadership capacity to initiate strategic changes in their organizations.

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LIST OF ABBREVIATIONS AND ACRONYMS

CEO   Chief Executive Officer

EI   Employee Involvement

EO   Entrepreneurial Orientation

EPZ   Export processing Zone

GOK   Government of Kenya

HR   Human Resource

HRD   Human Resource Development

IBM   International Business Machine

KAM   Kenya Association Manufacturers

KEFRI   Kenya Forestry Research Institute

KFS   Kenya Forestry Services

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

This chapter provides information about the background of the study, strategic change, strategic leadership, paper, and board firms manufacturing firms in Kenya, objectives of the study, the statement of the problem, research hypothesis, the significance of the study, scope, and limitation of the study and the assumptions of the stud. The background to the study provides a brief overview of the paper and board firms in Kenya. It helps clarify the cause of the issue and indicate the improvement of the research problems stresses the existence of the problem investigation and how should be addressed.

In the global economy of the 21st-century business environment is competitive, complex, intense and challenging. Strategic leadership poses characteristics such as ability in anticipation, visionary, flexibility, and thinking more strategically to initiate and implement strategic changes in order to create a competitive advantage for organizations. According to Daft (2011), there is a revelation that despite the long history of research on leadership, only recently organization behavior scholars have started to single out strategic leadership as a focus of attention in strategic management as a discipline of study.

According to Narayanan and Zane (2009), strategic leadership is a central theme in today's organizations in transforming strategic objective intentions and strategic change initiations and has been considered as one of the principal factors face the business units in the 21st century. Nevertheless, little empirical evidence has been emerging on the effectiveness of strategic leadership on strategic change implementation in organizations with distinct strategic importance. Elenkov, Judge and Wright (2008) in examining the impact strategic leadership play on strategic change, they suggested that top management team leaders who wish to influence creativity and innovations should possess certain characteristics critical in determining a strategic direction that firm intents to take.

A study conducted by Boal and Hooijberg (2001), on the role strategic leadership play in strategic change implementation within firms; found out that the importance of strategic leadership is experienced-based on the prevailing market conditions of uncertainty. In the same study, they concluded that strategic leadership influences strategic change processes. The successful implementation of strategic changes is majorly associated with uncertain

economic challenges and some impediments. Wheeler, McFarland, and Kleiner (2007) contend that the quality of individual strategic leadership really matter and evidence has been emerging that reinforces these advancing views. Strategic leadership in firms is likely to scan the environment to increase shareholders" returns through enhancement of strategic leadership capabilities in order to achieve superior organizational strategic change. However, they identified a gap between the effective implementation of strategic change and further suggested that the effectiveness of strategic leadership on strategic change initiation really matter in uncertain environmental conditions that manufacturing firms encounter.

A study by Sanders and Davey (2011) on the effect of strategic leadership on strategic change in the competitive firms revealed that strategic leadership contributes positively to the organization's effectiveness. To effectively manage strategic change initiation in the new paradigm shift, firms require certain characteristics regarded as important influencers of strategic change considered useful to navigate firms during intense competition. Consequently, the changing economic dynamics requires strategic leaders gifted in managing strategic changes at the top. They further suggested that the reason for the difficulties in achieving and maintaining strategic leadership effectiveness was due to ill-preparedness in strategic leadership (Sanders et al., 2011). The importance of strategic leadership is acknowledged infirm; however, the question of the criteria for strategic leadership successes and how it manifests itself into superior strategic change implementation in the organizations has not been established empirically by past research.

1.1.1 Strategic Change

Pearce and Robinson, 2009, strategic change is transformative and is usually disruptive in nature but successful execution lead to increased competitive advantage since firms differentiate and position themselves in the market to enjoy the benefits associated with a competitive advantage (Gilley, Gilley, & McMillan, 2009).

Armstrong (2012) viewed strategic change as a relationship between systems, procedures, and technological progress which has greater or immediate impact on the working arrangements within the organization. The ability to initiate strategic changes involve others stakeholders who bring about key success and motivational using reward based on the strategic change (Elenkor, 2002). The reshaping of the organizational product lifecycle occupies the leaders time by giving opportunities to clarify on strategic intents in building

high strategic change to create a better fit between strategy and product. The processes of product developments bring close alignment between customers and the sales personnel in an organization (Yabs, 2010). The organizations have to respond appropriately and in a proactive manner to realign with the environment.

Edgar, 2002 opined that some firms seem to thrive in strategic change implementation by being proactive in strategic thinking and planning, they continuously engage subordinate in a way that they do not only survive but also excel. Similarly, Gilley, Gilley, and McMillan (2009) argue that organizations remain competitive when they support and implement strategic changes continuously in a transformational manner. However, strategic change literature suggests that firms endowed with strategic leadership competencies or skills tend to report greater satisfaction for both customer and employee thus earning superior returns back to the shareholders. Research conducted by Laboritz and Ronansky (2007) contend that firms properly aligned with the environment were likely to achieve above-average profits with their ability to satisfy employees, re-engineer the production processes, customers and innovate new products.

Strategic changes in products development are one way to identify success factors against which executives evaluate firm's competencies in relative to how its product is measured (Peace & Robinson, 2013). The product development move in sequence or steps in profitability returns, hence the growing needs to continuously evaluate and match firms with the environmental demands. Product development may take place owing to changing customer preferences. In this regard, strategic changes become critical where enterprises have to achieve synergies through business and support units that embrace strategic leadership (Kaplan & Norton, 2006). An enterprise's key focus is on changing the business strategies to meet the challenges of emerging new technologies. The changes in strategic direction and the demands require firms to meet market expectations in the attainment of better fit by properly aligning with corporate strategic objectives. In a study by Labovitz and Rosansky (2004) study on the alignment of firms in processing enterprises revealed that even if the organization's strategies were aligned and integrated with all organization's units, little will be achieved unless employees were motivated to help the organization implement strategic changes continuously by its strategic leadership. According to Fonvielle and Carr (2001), strategic changes involve common agreements about goals and means of achieving the agreed goals.

Gilley, Gilley, and McMillan (2009) argued that organizations remain competitive when they support and implement strategic changes in a more transformational manner. Researchers have thus sought to explain the fundamental of strategic change, how to manage strategic changes and why is it difficult to be managed during the implementation phase. The management of strategic changes is required where there is intense pressure for example during the introduction of the new executive officers as well as making structural changes in the composition at the top echelon. The growing need by firms to gain stakeholder support in strategic change management initiation calls for strategic leaders who are of paramount importance to bring about strategic changes to the extent to which they implement the required changes by providing strategic thinking mindset (Gilley, Gilley, & McMillan, 2009).

1.1.2 Strategic Leadership

There is extended literature on strategic leadership adequateness since 2000's. One of the assumptions is strategic leadership which stands out is the theories and hypotheses (Aslan, Dicken, & Aslan 2009). Researchers have different opinions and definition of strategic leadership which remains to be a contentious issue amongst strategic management practitioners and scholars. According to Atwater, Copeland, and Hunt (2010), strategic leadership influences organizations directly by inspiring teamwork to initiate strategic change. They motivate team members through designing a participatory approach in setting vision and mission statement considered useful in guiding the employees perform their work in fullness and also implementing strategic changes accordingly. Thus, strategic leadership has a positive effect on the achievement of long-term strategic objectives.

A study by Rowe (2001) who examined how successful companies attain their strategic goals by comparing their strategic leadership capabilities and organizational success concluded that strategic leadership creates the most wealth for the firms than managerial leadership. By providing strategic leadership firm's chief executive's officers" role is considered critical in identifying alternative causes of action by the top management teams in creating a sense of direction and realign mission drift. In recent years, the attention of strategic leadership scholars has shifted to top executive management teams who are considered to be in a better position to exert a strong influence on the firm's strategic direction and the overall strategic change initiatives of the organizations (Sosik, Jung, Berson, Dionne, & Jaussi 2005).

A study by Duane and Hitt's (2001) on characteristics of strategic leadership, found out that the leadership has good abilities in anticipating, envisioning, maintaining flexibility and

empowering of the subordinate to create and initiate strategic changes as determined by environmental forces. According to Serfontein's (2009) revealed that the concept strategic leadership emerged from the discipline of strategic management which involves the determination of strategic direction; exploring and maintaining unique core competencies by the development of human capital; the sustaining of an effective organizational culture; emphasizing ethical practices, and establishing of balanced organizational controls. Other scholars like Vera and Grossan (2004) jointly refer strategic leadership as the executive work of the top management teams in an organization who majorly determines organization's strategic direction.

A study by Barney (2007) on the influence of strategic leadership on strategic change in organizations found out that leadership is one of the influencers in the organization's success whether for profit or not. It is important for the top management teams to understand how strategic leadership influences organizations strategic decision. This will enable firms to take steps in initiating desirable strategic changes that are required to continuously empower strategic leadership with the capacity to transform firms positively in terms of identity and direction. However, in defining, conceptualizing, and measuring the strategic change initiatives, success in implementation of strategic changes has not been an easy task.

Chong and Chong (2008) suggested that strategic leadership facilitates strategic change initiatives in the organization. The leadership guide organizations to meet corporate objectives by way of creating a vision, energizing the team through transformative leadership, and To outperform other competitors, modern firms are rapidly deploying strategic leadership skills to enter uncontested markets and measure the extent to which they guide and initiate strategic changes by providing strategic thinking mindset. (Pearce & Robinson 2006). Strategic leadership aligns firms to match and initiate broader strategic changes in order to attain effectiveness and efficiency in the way they allocate resources and establishment of structures to enable the initiation of strategic changes in business operations. Their capacity to marshal resources makes strategic leadership more competitive in preparing adequately for strategic change when faced with the ever-growing external pressure that includes globalization, deregulation and technological innovation (Chong & Chong, 2008).

1.1.3 Paper and Board Manufacturing Firms in Kenya

The paper and board manufacturing sector in Kenya (KAM, 2014) is classified under private firms. To succeed in the operations and increase returns to stakeholders, firms have to

respond to environmental uncertainty by initiating broader strategic changes continuously using strategic leaders. These firms in the sector consider strategic leadership as one of the broader schemes deployed to enhance superior strategic changes and attain competitive advantage to survive firms have to monitor the environment they operate in, in order to initiate strategic changes and remain relevant in the achievement of competitive advantage (Mathura, 2009).

As a result of globalization, the sector in Kenya has been under intense pressure to improve on the quality of the products and at the same time reduce production costs by the deployment of skillful strategic leaders who initiate strategic changes in the achievement of the strategic objectives that have been emerging. The sector is regulated by the government through state agencies like Kenya forestry research institute (KEFRI) and Kenya forestry services (KFS) which are mandated by the Act of Parliament to manage forestry resources. The responsibilities of these agencies are to conserve, sustain forestry development and ensure proper utilization of the country's forestry resources for both present and the future generations.

Republic of Kenya (2009) report on the paper and board firms, the sector is divided into primary production that includes poles, logs, timber, paper, and board whilst secondary production that includes furniture, fixtures, charcoal, briquettes, fuel, and joinery products. The paper and board products firms (GOK, 2005) export processing zones (EPZ) provides general information on the sector's opportunities for investment with some requirements for both local and foreign investors. The private companies exist with profit maximization mindset through proper deployment of resources in the most strategic manner and promoting of foreign trade (GOK, 2005).

Paper and Board manufacturing firms were identified amongst those undergoing strategic changes from the time the county governments were constitutionally promulgated way back in 2010. As part of the measures to increase the county governments resources, the firms had been considering deploying strategic leadership to initiate emerging strategic changes more strategically to align with strategic changes in the environment. The regulations and demands from the external environment justify the need for the management of strategic changes as a critical element that requires the attention of strategic leadership to address. To achieve a better fit, firms have to plan ahead and prepare themselves for increased global competition from either, the new entrants in the market or other emerging firms with superior

technologies (the Republic of Kenya, 2009).

Kenya Association of the manufacturer, (2014) the firms in the sector are not fully developed to full potential to meet the market export demand, but the industry envisages some good prospects for expansion to a modern technology in the near future for increased outputs. The current status of hectares covered by the industry is estimated at one hundred and fifty-nine thousand eight hundred widely distributed in Central, Coast, Rift Valley, Western and Eastern. There are 84 paper and board firms in Kenya (KAM, 2014). The Government encourages the use of appropriate technology aimed at cutting down on the production costs, reduction of wastages by making high-quality products which can be exportable to the world market. According to (KAM, 2014) the sector plays a key role in national development and contributes five to six percent of Kenya's gross national product (GDP). At the time of this study, the sector had directly and indirectly employed over two hundred and seventy thousand people (the Republic of Kenya, 2015). Thus, the sector was considered suitable in the context of the study because the firms are expected to adopt strategic leadership to initiate and enhance strategic changes for superior strategic change actions.

1.2 Statement of the Problem

Today, firms are faced with various environmental challenges which present opportunities and threats; and as a result of this, they have to be aligned for them to cope with environmental uncertainties. Though, with some consistencies as a result of ever-changing environmental factors, firms that do not address strategic changes brought by environmental uncertainties in the most appropriate manner were more likely to perform poorly and fail to attain the strategic fit. Theoretical literature suggests that there exists a positive relationship between strategic leadership and strategic change initiation in the alignment of the organization in the achievement of objectives.

The emerging strategic leadership literature indicates that leadership is a key ingredient for sustaining organizations in the management of strategic change expectations (Pearce & Robinson, 2013). Furthermore, firms that are rapidly adapting strategic leadership tend to succeed in the turbulent environment; while on the other hand, the firms that fail to embrace the importance of strategic leadership tend to report resistance to strategic change, hence a decline in profitability (Pearce & Robinson, 2013). In Kenya, few empirical studies have been conducted to examine the relationship between strategic leadership and strategic change. Empirical studies conducted by Cladwell, Chatman, & Seif (2010) provided evidence of a

positive relationship between strategic leadership and strategic change in firms especially in the banking and tertiary institutions. Moreover, similar studies have provided evidence indicating that strategic leadership had a positive influence on strategic change successes (William and Williamson, 2011).

The proportion of firms initiating strategic change had been increasing and adapting the concept of strategic leadership (Gilley, 2009). Based on the above evidence, despite the growing theoretical and empirical support, the relationship between strategic leadership and strategic change has been given little attention in paper and board firms in Kenya. It is against this background that the researcher deems it necessary to undertake the study to contribute to knowledge regarding the effect of strategic leadership on strategic change in the paper and board manufacturing firms in Kenya.

1.3 Objectives of the Study

The overall objective of the study was to examine the influence of strategic leadership on strategic change in the paper and board manufacturing firms in Kenya. The specific objectives of the study were to:

 i. Determine the effect of transformational leadership on strategic change in the paper and board manufacturing firms in Kenya.

 ii. Determine the effect of transactional leadership on strategic change in the paper and manufacturing firms in Kenya.

 iii. Establish the joint effect of transformational and transactional leadership on strategic change in the paper and manufacturing firms in Kenya.

1.4 Research Hypotheses

The study sought to test the following hypotheses:

H_1: Transformational leadership has a positive effect on strategic change in paper and board Manufacturing firms in Kenya.

H_2: Transactional leadership has a positive effect on strategic change in the paper and board manufacturing firms in Kenya.

H_3: Both transformational and transactional leadership has a positive joint effect on strategic change in the paper and board manufacturing firms in Kenya.

1.5 Significance of the Study

The research findings and recommendation will be important in enriching literature and stimulating further research. It will also enhance understanding of the relationship between the two variables. Secondly, this study can, therefore, be beneficial to practitioners who would like to achieve strategic intentions and objectives in a hostile and uncertain environment. The findings of the study enhanced the managers" understanding of how and under which circumstances strategic leadership leads to a strategic change in the firms. Thus the findings and recommendations were useful to management policy and practice leadership in paper and board manufacturing firms in Kenya. Finally, the findings suggested strategies on how leaders could improve their skills by adopting the recommended styles and procedures that suit the organizations in the management of strategic changes.

1.6 Scope of the Study

The intention of the study was to find out the effect of strategic leadership on strategic change. This study focused on the paper and board firms in Kenya which were listed in the Kenya association manufacturer directory (KAM, 2014). The objective of the study was to find out the effect of strategic leadership on strategic change in initiating strategic changes in these firms as a result of emerging changing environmental factors. The study targeted the paper and board manufacturing firms in Kenya through the chief executive officers (CEO's). The study was undertaken within one month.

1.6.1 Limitation of the study

There were challenges in acquiring information from the chief executive officers of the firms that had initiated strategic changes. The top management teams considered the information regarding the company's strategies as top secret which they sparingly gave out. The company information was considered classified and confidential in nature and some managers were unwilling to provide the intended data for this study; however, the researcher attempted to win respondents by giving them an assurance that the information they provided was purely used for academic work and was to be treated in total confidence.

1.7 Assumptions of the Study

This study assumed that the respondents who were the chief executive officers had adequate information and understood the effects strategic leadership have on strategic change. Secondly, the study assumed that the respondents were given the intended information without fear of divulging company's top secrets to other entities even after assuring the

respondents that the information provided was purely for academic purposes and was thus treated with a high degree of confidentiality.

1.8 Operational Definitions of Terms

The following were the definitions of the key terms in this research project.

Competitive Advantage	This is the superiority gained by a firm over its competitor's that characterize from core competencies to opportunities in the environment.
Strategic Alignment	Optimal state in which strategy employees customer and key process work in concert to propel growth and profits
Strategic Change	Strategic change is more concerned with organizational transformation and deal with broad and long-term organizational survival strategies.
Strategic Leadership	Strategic leadership is defined as the ability to influence others to voluntarily make day to day decision that leads to organization long-term growth and survival
Strategic Management	The process that refers to methods used in making the correct decision in the strategic formulation, implementation, and evaluation.
Strategy	The long-term direction is chosen by an organization in order to achieve its goals or terms that transforms theory into a strategic change in an unstable or uncertain environment in an organization.
Transactional Leadership	Transactional leadership involves situations and contents that characterize day to day functional activities.
Transformational Leadership	Transformational leadership is more proactive at creating and increasing subordinate's awareness of collective interests and responsibilities to achieve extraordinary goals or results that have a major impact on the organizational overall performance and strategic change adaption.

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CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter examines the literature review related to the study. It discusses the theoretical perspectives on strategic change and strategic leadership. It also examines the theoretical literature related to the study and linkages between the study and the variables. It also discusses the theoretical framework that guided the study and the chapter concludes with a conceptual framework.

2.2 Strategic Change

Strategic change (SC) provides means of measuring organizational effectiveness at every level of the organization and the ability to deploy coherent corporate strategies viable for firms success. According to Burns (2000), strategic change gives managers opportunities to get involved in initiating changes in the context of strategy as defined by its scope or a movement from being considered rational in perspective to radically differing perspectives concerned based on the product focus, organizational structural changes context, production processes, technological progress, changes in executive personnel influences and market focus issues. Similarly, Richard, Beviney, Yip, and Johnson (2008) suggest that business firms should embrace strategic leadership to initiate strategic changes in response to major environmental changes. Consequently, strategic change is considered disruptive in nature with tendencies that radically alter marketing, organizational structure and power relations that are likely to results into impacts mostly referred to as strategic change. It also involves opportunities, risks, increasing volatility and growing competition which accelerate and intensify change (Korbi, 2015).

Armstrong (2006), pointed out that, strategic change is more concerned with organizational transformation and deal with broad and long-term organizational survival strategies. This involves moving firms from the current state to a future state in terms of vision, scope, purpose, and mission of the organization that may lead to attainment competitive strategic position. The achievement of strategic goals and maintaining competitive advantage depend on the quality of leadership expected in determining the success or failure of a new strategy. Strategic change takes place in the context of external competitiveness, economic, social, environment and legal social-cultural that affects the organizational strategic goals. The organizational internal resources, capability, culture, structure and the systems that determine

success in the implementation of strategic changes require the understanding of the factors critical in the formulation planning process and the competencies of leadership throughout the planning process to enhance strategic change initiation (Armstrong, 2006).

Harigobal (2004) suggested that strategic change deal with broader changes or a paradigm shifts into a future state defined in terms of strategic vision and scope. This is to ensure an appropriate fit between the firm and environment based on the notion that an organization should alter strategies in response to environmental changes. Several factors influencing changes in the organization were identified as follows; the production process, product focus, executive personnel, market demands, and finally regulations placed on firm's innovativeness to better improve ways of doing things in alignment with technological advancements (Harigobal, 2004).

2.2.1 Product focus

Success in the delivery of product and services depend on a variety of channels and consideration in converting knowledge and ideas into improved product or services to gain customer satisfaction and increase sales performance. Armstrong (2006) views strategic change as the ability to initiate strategic changes involving others stakeholders who bring about key success by the innovation of new products using reward based on the strategic change (Edgar, 2002). The reshaping of the organizational product lifecycle occupies the leaders time by giving opportunities to clarify on strategic intents in building high strategic change culture to create a better fit between strategic objectives and the product. The process of product developments brings close alignment between customers and the sales personnel in an organization (Yabs, 2010). The organizations have to respond appropriately and in a timely manner to realign to what they do best. They use learning initiatives to make sure that they work with teams in achieving the level of motivation necessary to initiate the real strategic change in the innovation of the new product.

Strategic change is considered important element in any organization because, without effective strategic leadership, businesses are likely losing their competitive advantage and fail to meet the objectives of the stakeholders to the achievement desired growth target and loyal customers that emerge. Strategic changes provide means of measuring the effectiveness of organizations performance, in order to remain relevant in achieving superior strategic change position and the extent to which firms implement strategic changes. Strategic change shifts, therefore, pose as a major challenge to the leadership in influenceing the strategic direction of

the" organizations (Richard et al., 2008).

According to Naghibi 2011, strategic change literature indicate that today's organizations are so dynamic in the sense that the environment they operate in is volatile. The leadership at the top have to identify ideal strategic alternative courses of action to pursue. In the similar study contends that strategic change is influenced by the environmental forces. The firms that were more responsive to strategic changes were more likely to succeed in strategic change initiation. Strategic change is concerned with changing the strategic objectives of the firms in terms of vision in order to achieve a better fit without using the basic formula to do the same. Naghibi (2011), further illustrated that strategic managers are responsible for organizational strategies. The chief executives' officers (CEO's) in organizations uses their influential abilities to rapidly deploy coherent business strategies; by being totally customer focused, developing world-class people and continuously initiating improvement in business product processes at the same time.

2.2.2 Organizational structure

Past literature endorses the view that successful organizations are quickly embracing flatter organizational structures. Such structure does not constrain or discourage change but rather flatter, flexible, and virtual with agile informational technology linked to sharing information to better implement organizational strategies. A survey study conducted by Gilley, Gilley, & McMillan (2009) revealed that organizational change occurs at three levels; namely an individual's attitude, value skill, and behaviors, structure and system. Organizations which involve a change in work design, reporting relationships, information system, reward and organizational climate which involve strategic leadership capabilities, interpersonal relations, and joint decision-making style. To effectively manage strategic changes firms have to consider the three types of change approaches incremental, radical and continuous the quality of relationships with supervisors and fellow team members as a vehicle to create a favorable climate for change (Shelley, 2006). The models of change attempt to guide strategic leadership and managers to better understand change processes in order to guide organizations in initiating strategic change. Gilley et al., (2009) opined that change acceptance occur into stages as awareness of change, interest in change, trial, decision to continue or quit, adaptation of change and five categories of individuals have been identified on basis of the general acceptance of change innovators, early adaptors, early majority, late majority, and laggards.

As advocated by Fonvielle & Carr (2001) who supported the view that alignment is a necessary condition for achieving organizational effectiveness. Khadem (2008) concurred with the observation and cited alignment as a critical factor likely to bring about successful strategic change implementation in manufacturing firms faced with uncertainty. Today, strategic change has been considered an obvious phenomenon likely to occur in any organization. Strategic change has not been easy to be managed as the process involve considerations on compatibility between strategic change and strategic leadership. Shelley (2006) argues that organizational survival depends on firm's ability to engage in the rapid and continuous development of leaders to be flexibly oriented in orders to add value to the system in determining strategy change implementation.

2.2.2.3 Production processes

By ensuring that organizational production processes focus on the customer, as the overarching goal, a powerful horizontal change to be achieved (Labovitz & Rosansky, 1997). Technology permeates all of the primary functions and greater integration among systems. Goll, Johnson & Rasheed, (2006) opined that some scholars support the view that the rate of increasing globalization and fast changes in technology, innovation and creativity were issues that characterize today's organizations. To achieve the vision, the organization needs to produce results through the existing processes in the organization, and the creation of new processes to deliver additional results (Khadem, 2008) in the management of changes as posed by technology ranging from obsolete to state of art technology used as in plywood manufacturing. Strategic change is specifically related to a successful application of advanced manufacturing technology in manufacturing plants. The strategic change will be greater on the extent to which individuals agree with the proposed strategic change (Gladwel & Lopez, 2012) to introduce extraordinary strategic change to succeed in the attainment of the goals. The managing of modern organization is complex and demands that it emerges a strong leadership skill or with qualities and attributes that play a critical role in strategic change management initiation and implementation (Marcella, 2012).

Past study by Goll, Johnson, & Rasheed, (2006) on knowledge capability and strategic changes suggest that strategic leadership align firms with the external environment that organizations have to respond to in order to initiate and remain relevant by ensuring competitiveness breakthrough and ultimate survival. Goll et al, (2006) further argued that successful firms have to change their strategies continuously to attain an appropriate fit with

the environmental forces. However, for real change to occur there is a need to change the attitude and mindset of top managers and the employees in the way they operate a business in a more transformative manner. According to Jeffrey (2003) on the study of the influence of strategic leadership found out that strategic change is not for the sake it, but frequently occur and can be harmful to the organizational if strategic the leadership does not better understand the emerging phenomenon in the environment in proactive and futuristic manner.

2.2.2.4 Market Focus

The numbers of channels used in marketing have increased and also opportunities for transaction internet sales been on increase. A study conducted by Burns (2000) on the influence on strategic change opined that strategic change leadership is more accommodative, willing to listen and address market challenges, engages teams in achieving their own insight and in addressing of the dilemma in the determination of marketing success. To shape the market strategic change leadership obtains the employee participation in the strategic change processes for increased sales. The numbers of channels used in marketing have increased and also opportunities for transaction internet sales have been on the increase. A study conducted by Burns (2000) on the influence on strategic change opined that strategic change leadership is more accommodative, willing to listen in addressing marketing forces challenges, they do so by engaging teams in achieving their own insight and in addressing the dilemma in the determination of success. To shape the market strategic change leadership seeks employee participation in the strategic change processes.

2.2.2.5 Executive Personnel

Richard, (2008) suggests that firms implement strategic changes leading to strategic shifts which cause major challenges to the chief executive officers who have a greater influence on strategic change direction of the organizations. A study conducted by Burns (2000) on the influence of culture on strategic change opined that strategic change leadership is more accommodative, willing to listen and engages teams in achieving own insight and address the cultural dilemma to determine success. Strategic change leadership genuinely obtains the employee participation in the strategic change processes in the shaping of the culture, the approach to strategic change and learning initiatives strategic leadership makes sure that they work with groups to achieve the level of motivation necessary to initiate the real strategic change or for change to take place. Similarly, to solicit support, the use of symbol appropriate language encourages and support drive the change agenda. Also, they build stability in the

use of power to ensure that things remain on the right course. The culture perspective reinforces the argument that organizations are not rational where everybody subscribes to and help firms to achieve organizational overreaching objectives. The power politics put forward similar prepositions through processes of negotiation influence, competing, shifting coalitions group and individuals which are characterized by firm's conflicting interests and organizational goals as the objectives constantly changes and effects have to be reconciled by strategic leaders who have to choose where to sacrifice rather than get the best results for the firms (Burn, 2000).

Strategic leadership skills have been considered by scholars like (Gilley et al., 2009) as an important element used to marshal resources and in implementing strategic changes more successfully. The resources are deployed strategically when the environment is scanned to identify corporate objectives and in creating a sense of direction. Executive leadership possesses the following characteristics considered essential to successful strategic change implementation they include the ability to deliver results, possessing of good educational background, previous strategic change track record, relevant on job working experiences, good personality attributes and good temperament (emotional intelligence) in adapting to certain environmental conditions (Peace & Robinson, 2008).

2.3 Theoretical perspectives

Various scholars have summarized their findings on the concepts of strategic change and created models about their application in initiating strategic changes. Harigabol (2004) proposed the application of Levin's model of change which advocates for the three steps that include unfreezing; this involves reducing forces maintaining organizational behavior at the current present level. Secondly, moving is the shifting of the behavior of an organizational level resulting into new behaviors that value attitudes through changes in transactional leadership and finally refreezing in situations where organization stabilizes and achieves a new state of equilibrium and preferred behaviors through the use of support mechanisms. Such mechanisms include organizational culture which comprises a set of values, beliefs, and assumptions shared by members of an organization. Policies and, structures are introduced in reinforcing the new organizational state as a source of competitive advantage (Burns, 2000).

Harigabol (2004) suggests that strategic leadership use employee involvement in determining the level of success. They empower and use quality circle platform to develop a culture of participation that infuses change momentum in an organization. Furthermore, Harigabol

(2002), argued that the spirit of employee involvement aspects in organization development improves the management and employee relational skills. A study by Rosebeth (2011) examining change readiness in firms found out that change reactions by commitment, acceptance, resistance, denial; the leadership involves other people that help understand employees or followers willingness to accept direction from the leaders. Thomson and Strickland (2003) suggested that strategic leadership inspires employees to enable firms" face the environmental challenges proactively, they create long-term and viable corporate objectives to be achieved.

Goll, Johnson and Rasheed, (2006) opined that some scholars support the view that the rate of increasing globalization and fast changes in technology and innovations were issues that characterizes today's organizations. The firm's leadership have to critically examine the quality and the effectiveness of leadership it has in the management of changes as posed by external forces. Strategic leadership skills play an instrumental role in developing interpersonal skill, being good change champions, to balance roles and equipping subordinate with certain capacities required to navigate extraordinary strategic change to succeed in the attainment of the goals. Managing of modern organization is complex and demands that it emerges a strong leadership skill or with qualities, attributes that play a critical role in strategic change management initiation and implementation of goals (Marcella, 2012).

In the efforts to minimize resistance to strategic changes, Harigopal (2004) suggested that resistance intervention mechanism involving the use of change agents who rely on models of change, or by use of experts to the effective implementation of strategic changes through the management of forces for change and against change. The power politics in strategic change also cannot be avoided as there are usually some resistances to strategic change implementation in organizations and intervention approaches are necessary as a mitigation measure as proposed by change agents advocates. Burns (2000) advocate that strategic change view power politics from a different perspective it's important to gain support from the senior management teams, local management, supervisors, trade unionists, opinion leaders, and employees whom should not be ignored.

Burns (2000) literature revealed that in initiating strategic change require significance political tone that is essential to initiate strategic changes. The change involves reinforcing process and emphasis on building key support group by using strategic leadership behavior to

guarantee and support strategic changes initiation. The role of the chief executive officer as key strategists and how they improve the strategic change of the firms in changing the environment on what to maximize and what to minimize (Yabs, 2010). Scholars argue that politics presents strategic leadership that challenges, builds consensus for the strategy formulation, how to implement and manage emerging coalitions in organizations. Similarly, Yabs (2010) further contends that the chief executive officers wield powers in influencing the strategic choices likely to be implemented as reflected in balanced scorecard and in evaluating strategic change effectiveness.

Burns (2000) advocates for the four-fold typology of change which includes top-down systematic change aimed at transformation of an organization, the "piecemeal" initiatives devised found implemented by departments or units in unconnected fashion and finally the systematic collaborative mechanism that managers and workers agree to a total change package for the changes designed to be achieved by the organizational transformation. By way of sustaining momentum for strategic change (Burns, 2000) contends that the best performing organization initiate enthusiasm for change to take place on the face of daily pressures in meeting the customer's needs. Strategic change requires a strategic leader who understands how best they build the mechanisms that sustain strategic change momentum in the organizations.

2.5 Strategic Leadership

Since 1970's the study of strategic leadership has experienced rejuvenation and metamorphosis evolving from the upper echelon theory developed Hambrick & Mason (1984). Nevertheless, the concept of leadership remains important because introducing significant changes needs often a champion able to demonstrate unusual commitment to implement the organizational vision. There have been calls to focus scholarly attention on strategic leadership inability to influence strategic direction firm's intent to where to take their companies. Strategic leadership is defined as the ability to influence others to voluntarily make day to day decision that leads to organization long-term growth and survival (Rowe, 2009). There is extensive literature on the role strategic leadership play in productivity processes since 1978's. strategic leadership provides strategic thinking mindset for the organization to raise followers" consciousness to transformational leadership to bring about organizational success and to improve an institution's overall performance (Montegomery, 2008).

Strategic leadership formulates and articulates clear visions to filter strategic choices in the organizations (Ireland and Hitt, 1999). One of the assumptions in strategic leadership is the competence of the leadership involving key executives in guiding and directing the people towards a common vision by being clear of where they intend to go and sustaining essential leadership skills necessary for strategic change implementation (Gilley, Gilley & McMillan, 2009). Strategic leadership is considered as a catalyst to strategic change management and in the introduction of significant changes which often need a champion capable to demonstrate unusual commitment. By comparison, strategic leadership has been considered to have an upper place than any other forms of leadership's styles namely managerial and visionary. A study by Shelley (2006) demonstrated that effective strategic leadership seeks the involvement of subordinates for commitment and providing them with a clear vision statement of intent as a basis for achieving an organizational competitive advantage.

2.5.1 Transformational Leadership

Transformation leadership according to Bass (2000) is more concerned with the performance of employees to voluntarily make day to day decisions that enhance long-term organizations viability and survival. The leadership affects the followers in more than one way. The leadership is known to make major strategic changes in the firm's vision and mission statements. Strategic leadership is charismatic, inspirational, intellectually stimulating and individualized consideration (Avolio et al, 1998). They guide individual employees transcend their self-interest for the sake of larger vision in strategic decision making at the highest level. The characteristic involves selection of strategies that define the long-term direction of the organization and proper deployment of human capital to achieve maximum organizational effectiveness by guiding the subordinates through their simplified personal visions, energizing and inspiring and creating excitement through their enthusiasm to the followers. Scholars like (Antonalis & House, 2003) contend that transformational leadership is more proactive at creating and increasing subordinate's awareness for collective interests and responsibilities to achieve extraordinary goals or results that have a major impact on the organizational overall performance and strategic change adaption.

Transformational leadership has been considered to be more superior in the motivation of subordinates to transcend their expected strategic change, the leadership motivate teams to strive for higher goals rather than shorter terms interests Antonalis and House (2003), they further observed that transformational leadership has been found suitable in optimal

engagement and commitment of employees and to act in a positive manner. The ability of transformational leadership to focus on the development of organizational new level awareness where they consider the future of the firm lies, they energize the employee commitment required to achieve the long-term corporate objectives. Transformation leadership makes advantages of teams by building strong networks in order to motivate subordinate through collaborative mechanisms in goal setting employee involvement and application of desirable incentives useful in the pushing the organizational visionary agenda to realize strategic changes more successfully (Burns, 2000).

Prior research has indicated that transformational leadership act in a transformative manner thus contributing to effective strategic change implementation in their respective firms. Burns (2000) further pointed out that high failure rate among firms is as a result of ill-prepared transformative leadership in development. Researchers opined that transformational leadership is unlikely to contribute to business failure and attempted to address the role of transformative leaders play as mitigation to strategic management of modern organizations that have continued to be addressed by scholars and strategic management change practitioners. Furthermore, transformative leadership develops visionary roadmap thinking idealizing goals that represent a significant improvement in strategic change initiation (Jooste, 2007).

Jones and George (2006) study on the effect of transformative leadership (SL) concluded that transformational leadership influences strategic change in the three dimensions. Firstly by making subordinates aware of how important their roles are and how it is necessary to perform the jobs to their best. Secondly, SL supports the subordinate to attain the desired goals. Finally, they empower subordinates to be aware of their own inspirational needs for growth development and accomplishment through workshops empowerment and a self-managed team that motivates staff to work for the good of the organization and not immediate personal gains or benefits. The extensive use of incentives and rewards is one of the most powerful weapons used by managers to gain employee commitment. The transformational leadership observes and designs a reward system that best suit all managers and employees (Thompson & Strickland, 2003).

According to Mcshane (2010), transformational leadership explains how strategic leaders change teams byways overcoming obstacles standing on the way in achieving the desired goals and communicating the results and modifying the visions of the organizations at the

same time inspire employees to strive for the bigger picture visions. The modern organizations require a significant alignment with the external environment, without transformational leadership firms are likely to stagnate and eventually be misaligned with their environment. Furthermore, by failing to embrace transformational leadership style, firms are likely to be trapped into the daily managerial activities that represent transactional leadership (Antonalis & House, 2003).

In order to succeed in meeting organizational changing objectives and goals, transformational leadership (SL) rely on their abilities to establish, cultivate and manage meaningful relationships in order to attain an edge in achieving organizational effectiveness and efficiency. Scholars like (Antonalis & House, 2003) have considered transformational leaders to possess some inbuilt traits useful to manage the firms into a better performing fit or units. Transformational leadership guides organizations with a big picture mind syndrome to achieve objectives more efficiently and effectively by way of linking strategic change to valued rewards and ensuring that employees have got the necessary resources to get their job undertaken properly. Thus, transformational leadership focuses on employees behaviors to enhance high-level strategic change initiation in the proactive making of strategic choices (Stoner, Freeman, & Albert, 2002).

Henderson and Green (2010) study on the impact of the strategic planning process and the linkages between a mission statement and organizational strategic change found out that by improving on company's mission statement, transformational leadership improves bottom-line financial performance in firms where they establish clear vision and mission statements. The ability of transformational leadership in creating of the company's future by engaging of employees optimally to achieve firm's corporate objectives or goals they never thought were achievable or those considered impossible, furthermore, they shape the strategic visions that are realistic and attractive for the future. Again, their ability to initiate and creates bonding amongst employees together makes transformation leaders capable to implement strategic changes in a better. Thus, without strategic leadership organization's falters in times of change and turmoil. They require the leadership with confidence in the building of the abilities to confront the obstacles in order to get work accomplished by focusing all the energy towards organizational strategic goals achievement (Mcshane, 2010).

Past study by Gilley, Gilley, and McMillan (2009) examining organizational change, motivation, and communication and leadership effectiveness suggest that employee

involvement (EI) in decision-making process creates a positive impact on strategic change implementation. Strategic leadership relinquishes too much control and evaluation systems that allow individual employees to make an important decision through the participatory approach in order to bring about meaningful strategic changes that take place and consequently employees are more committed towards the shared vision. Transformational leadership obtains employee commitment through inspirational messages, symbols, success stories and contagious enthusiasm that energizes the people to do much as guided by the company's visions and mission statements. Transformational leaders were found to be ideal in strategic change implementation because the leadership demonstrates "the can-do attitude " of the teams when they involve subordinates in decision-making processes in line with organization's vision and mission statements (Gilley et al., 2009).

More recently, Kiambati (2014) contribution to the quarterly institute of human resource magazine Kenya contends that transformational leadership (TL) empowers subordinates to fulfill the long-term strategic vision of the firms. Kiambati further argued that the leaders were the key factor in bringing about a successful strategic change in the organization. The leaders gain, acknowledges the existence of a good relationship between transformational leadership, subordinate staff and their strategic change making a difference. In the same study conducted by Kiambati (2014) indicates that transformational leadership makes a difference as subordinates working under them were more satisfied and have a higher effective organizational commitment. Finally, under transformational leadership staff tend to perform better particularly when they are fully engaged in their assignments, the citizenship behavior makes this type of leadership the most popular in today's organizations making them positively correlated to successful strategic changes implementation in firms.

Bossidy and Charan (2002) argue that different managers require different styles of leadership ranging from hands off, facilitative, servanthood, stewardship, democratic to autocratic in order to facilitate and boost the strategic change momentum in firms. Bossidy et al, (2002) further advocated that transformative leadership was found to be more popular in identifying and applying the theories of leadership; the duo contend that building strong culture as a fit to transformative leadership is of paramount importance in implementing strategic changes in firms during uncertainty times (Pearce & Robinson, 2002). The firms that build a flexible transformational leadership, develops continuous empowering organizational learning programs, selecting of suitable and capable managers that strive for

better retention plans to create a transformative mindset likely to initiate broad strategic changes more successfully (Rafferty, et al, 2013).

Transformational leadership enhances the motivation, morale, and performance of followers through varieties of mechanisms. These include connecting the follower's sense of identity and self to the project and the collective identity of the organization; being a role model for followers that inspires them and makes them interested; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that enhance their performance.

Bass and Jung (1999) identified five factors which represent behavioral components of transformational leadership: idealized influence (attributes); idealized influence (behavior); inspirational motivation; intellectual stimulation and individualized consideration.

2.5.1.2 Charismatic (Idealized Influence)

According to Bass (1985), views the chairman as forming the element of transformational leadership (Bass, & Avolio, 1993). This type of leader was described by Weber (1947) as extraordinarily people, to get the respect, pride, trust, and confidence of followers; they transmit a strong vision and mission. Bass (1985) indicated that trust is a result of transformational leadership and also forms an essential part of charismatic leadership (Bass, 1990) or is an antecedent to charismatic leadership. Idealize influence is charismatic part of transformational leadership in which the leader becomes a role model who is admired respected and emulated by followers (Avolio & Bass, 2002). They also indicated that transformational leaders are ready to take and share the risks with followers and indicated that transformational leaders show charisma by articulating a reasonable vision and a sense of purpose that can be shared. Transformational leaders inspire subordinates through example, stimulate them intellectually, and give rise to individual concern and make them feel happy with the organization. They also concluded that these leaders are admired, respected and trusted by their followers, and always share the risks with the faithful. This may lead the faithful to identify with these leaders and want to emulate them. Therefore, it should be noted that this aspect would give more empowerment to the subordinates.

2.5.1.3 Inspirational Motivation

It is the degree to which the leader articulates a vision that appeals to and inspires the followers with optimism about future goals and offers a meaning for the current tasks in

hand. It motivates and inspires the leaders' subordinates, by putting in place practices to create attractive vision statements, moving up the follower goals and inspiring their interest and optimism (Bass & Avolio, 2004). In other words, the employee is fully satisfied, and feels an obligation toward the organization and is willing to do anything in order to achieve the organization goal. Bass (1990) defined it as a source of inspiration for those leaders who set ambitious targets as a way to get followers to succeed. They remain calm in a crisis, are competitive targets, and plan an attractive future. Transformational leaders inspire and motivate others to "provide direction and challenge to their followers work" (Avolio & Bass, 2002). In addition, the inspirational leader shows motivation and freedom commitments in achieving the objectives and provides a realistic view of the future. With this kind of management, employees can get more than what they originally thought. Therefore, the transformational leaders pay attention to the concerns and needs of developing subordinates, to help them study the problems through different viewpoints, and are able to inspire and excite achievement (Armandi, Oppedisano & Sherman, 2003). Idealize influence motivation and inspiration are usually grouped together to form the charismatic leadership of inspiration (Bass, 1998).

2.5.1.4 Individualized Consideration

The leader personal attention is paid to followers based on the individual needs of followers for the achievement and growth (Avolio & Bass, 2002). The head of consideration recognizes and demonstrates the acceptance of the followers of individual differences in terms of the needs and desires (Stone, Russell & Patterson, 2004). This type of leadership is listening to each member organization needs and interests, consequently increasing their personal potential (Bass & Avolio, 1994). Numerous studies have found that the leaders who show these four behaviors are able to realign their followers' values and standards, to promote both personal and organizational changes, and help them to overcome their early adopters' performance expectations. This implies how leaders give their faithful personal attention, coaching, personal advice, and opportunities for the followers' development.

2.5.1.5 Intellectual Stimulation

The degree to which the leader challenges assumptions, stimulates and encourages creativity in the followers - by providing a framework for followers to see how they connect [to the leader, the organization, each other, and the goal] they can creatively overcome any obstacles in the way of the mission (Bass & Avolio, 1994) which means that this kind of leader can

increase the confidence and responsibility of the subordinates. Bass and Avolio (2002) stated that transformational leaders stimulate their followers' efforts "to be innovative and creative in calling into question the assumptions, refraining problems, and approach situations in a new way". Transformational leaders ask their subordinates for ideas and innovative solutions to problems and include followers in problem-solving (Stone, Russell & Patterson, 2004). The intellectually stimulating leader encourages followers to try new approaches while emphasizing rationality (Bass, 1990). Therefore, intellectually stimulating leaders try to encourage the subordinates to be innovative and to be aware of the new styles of performance.

2.5.2 Transactional Leadership

Transactional leadership involves situations and contents that characterizes day to day functional activities. The leadership is concerned with more comfortable functional areas of responsibilities and possesses more expertise in their functional areas. According to Stoner, Freeman, and Albert (2002), Transactional leadership has also been referred to as managerial leadership which is an exchange role managers play with clarity roles duties and responsibilities tasks required by subordinate staff in initiating structures and provisions of appropriate reward to meet social needs and helps subordinate satisfied in order to improve production bottom line. Stoner et al., (2002) suggested that transactional leadership behaviors determine what employees need to do in order to achieve their own aspirations and also the organization's corporate objectives and by classifying those objectives and helping the employees to become confident in that they stand better chances to reach the organizational objectives by expanding their efforts. Transactional leadership thus can be forced to an organization or imposed by strong executive officers and other top management teams.

Within the context of Maslow's hierarchy of needs, transactional leadership works at the basic levels of need satisfaction, where transactional leaders focus on the lower levels of the hierarchy. Transactional leaders use an exchange model, with rewards being given for good work or positive outcomes. Conversely, people with this leadership style also can punish poor work or negative outcomes, until the problem is corrected. One way that transactional leadership focuses on lower level needs is by stressing specific task performance (Hargis et al, 2001). Transactional leaders are effective in getting specific tasks completed by managing each portion individually.

2.5.2.1 Contingent Reward

Transactional leadership involves contingent reinforcement where followers are motivated by their leaders' promises, rewards, and praises. At the same time, the leaders react to whether the followers carry out what the leaders and followers have 'transacted' to do (Bass & Steidlmeier, 1999). It may take the form of employees being rewarded accordingly and the leader will clarify to the followers through direction or participation (Erkutlu, 2008). This implies that subordinates who work under transactional leaders would have a greater power and the ability to affect the strength of a leader's influence, style of behavior and the performance of the group (Hollander, 1993). Conversely, this type of leadership may take the form of passive leadership, especially when the leader practices passive managing-by-exception by waiting for issues or problems to surface before taking corrective measure (Northouse, 2001).

2.5.2.3 Management by Exception (Passive)

Management by exception passive is not that different. Passive leaders just wait until deviations occur before intervening. This means that leaders pay attention more to the subordinate when corrective actions are important. Therefore, there are no preventive actions or attempts by the leader to monitor or influence performance (Bass & Avolio, 1990). Active management by exceptions uses rewards in inducing towards a constructive path-goal transaction of reward. These factors generally guarantee employees motivation in implementing strategic change in terms of operational, autonomy and ownership of the process of production (Bass, 2004).

2.5.2.4 Explicit Agreement

Under the explicit agreement, the leader and the followers must agree, except with the terms and provision of the exchange reward for work performance (Bass, Avolio, Jung & 2003: Beukman, 2005). The exchange forms a foundation of the leader-follower relationship (Howell & Hall-Merenda, 1999), and only last as long as the agreement remains mutually satisfying for both parties (Vishali & Mohit, 2004). The leader focuses on task completion and compliance, methods, techniques, and mechanisms rather than the purpose of the tasks are stressed (Kanungo, 2001). Role expectations, assignments and task-oriented goals are clarified.

Transactional leadership theory is grounded on the social learning and social exchange theories which recognize the reciprocal nature of leadership. The leadership involves issues

like a reinforcement of followers behaviors' as motivated by promises, rewards, and praises when they accomplish the assigned tasks. Strategic management scholars like (Vera & Crossan, 2004) contend that transactional leadership applies the following three factors contingent reward by exchanging punishment and reward for followers compliance and efforts in order to achieve overall organizational goals, management-by- exemption characterize uses contingent rewards (Bass, 2004).

Strategic management researchers like (Bass, 2009) who examined the effect of strategic leaders play in the implementation of strategic changes found out that subordinates who work under transactional leadership have greater influential power and the ability to affect the strength of the leadership, the style of behavior and the strategic change of the group in an organization. The transactional leadership model takes the form of passive leadership, especially when the leadership practices passive management by exception to assist leaders transacts and exchange their followers" effort for specific rewards as well as recognition indirectly. To achieve expected performance they build a relationship rather than waiting for issues or problems to arise before the action is taken, it is majorly concerned with punitive corrective measures to enhance performance (Bass, 2009).

Jones and George (2006) argue that transactional leadership uses rewards and coercive power at their disposal to encourage high-level strategic change initiatives. The application of rewarding for the high performance and reprimanding low-level performers, in turn, motivate subordinate and reinforces on the desired behaviors suitable for engaging team spirit in a transactional manner. Past studies by scholars like (Jones et al, 2006) proposes that organizations require top executives who are both transformational and transactional as they play different roles in process of strategic change initiation and implementation.

2.4 Strategic Leadership and Strategic Change

Quite a few studies have emerged in recent times that have scrutinized the relationship between strategic leadership and strategic change since the mid-2000s these studies have found a positive impact on strategic change. A growing body of leadership research has focused on strategic leadership as the area of interest, with less attention to managerial and supervisory leadership. House, Aditya & Serfontein, (2009) found that strategic leadership focuses on how top leadership makes decisions in the long-term direction which guarantee the long-term viability and survival of the organizations. Similarly, the best performing firms are conscious of strategic leadership in their strategic planning processes. The top

management teams and its strategic leadership also have the ability to effectively align human capital directly to the overall business's strategic plans. The empirical findings revealed that a firm that properly aligns with its environment tends to report a positive influence in the management of strategic change and were likely to benefit from strategic change adaptation and initiatives (House et al, 2009).

In a study examining the effect of top management teams" behaviors' on innovation in twelve European countries by Elenkov & Wright (2005) found that without effective strategic leadership, a company's capability to achieve or sustain a competitive advantage is greatly constrained. The study further observed that strategic leadership has a strong relationship on creativity and innovation of new product development and administrative actions at a strategic dimensional level on the organizational processes with distinctive strategic importance. Innovations enable firms to achieve sustainable and competitive superiority by providing organizations with strategies adapting to the changing environment for survival and eventually success when faced with strategic change challenges and concluded that a positive relationship between strategic leadership and Innovation exists.

A study examining the effect of top management teams by Mackey (2008) on the organizational strategic change tracking the impact of turnover amongst the chief executive officers (CEOs) on organization strategic change as opposed to actual CEO"s effectiveness in managing the organization based on CEO's responses, in the first instance, and the board directors who have no executive responsibility in organizations found out that CEO positively influences strategic change. Another similar study by Serfontein (2009) examining the impact of strategic leadership on the operational strategy and strategic change of business organizations found out a positive relationship. These were studied with responses from only one person in the organization in the study in a sample of making up of five board members representing the organizations were deployed in the second study.

Jooste and Fourie's (2009) study on the role of strategic leadership plays in effective strategy implementation found a positive relationship between strategic leadership and strategic change implementation the studies. As an exploratory study, this study attempted to measure the relationship between the two variables of strategic leadership and strategic change in order to determine the factors that influence strategic change (Jooste & Fourie, 2009). The findings to the study suggested a weak positive relationship between strategic leadership and strategic change in the manufacturing organizations. However, the relationship is not directly

proportionate but indicated that top leadership had a higher level of confidence in their strategic change on criteria as reflected in the experience at the organizational level by its employees. The main conclusion of the study was that strategic leadership play a critical role in implementing of strategic changes and was considered to be paramount importance and a determinant factor in the organizations change initiation (Jooste & Fourie, 2009).

A study conducted by Wenlei (2009) who examined the effect of chief executive officers characteristics in an organizational performance involving the high performing firms found out that strategic leadership initiates strategic changes that results into real strategic change implementation. He further suggested that strategic leaders have the advantages in the initiating of strategic changes in poorly performing firms turning them around. The levels of interactions with the members of the board and with others stakeholders make strategic leadership is considered as the master agents in initiating strategic changes in the high performing firms, the positive association enhances interpersonal relationship as an influential asset to changes by creating employees built a positive mindset to transform strategic change agenda.

Jooste's (2007) study on the role of strategic leadership play towards implementing strategic changes revealed that strategic succession planning is important in the management of strategic changes in the organization. In a similar study (Jooste, 2009) concluded that organizations with well-defined succession strategic planning strategies, the availability of strategic leadership increases managerial capacity and sets signals for the need to initiate strategic changes with greater impact on the management of strategic change in firms they manage. In the absence of strategic leadership, there is no strategic change in succession planning the firms tend to report a poor implementation of strategic changes.

2.4.1 Transformation Leadership and Strategic Change

The presence of transformative leadership may lead to a number of outcomes to organizations that are ultimately linked to shared values in both the short and long-term (Rowe, 2009). Transformational leadership tends to pay particular attention to building the organization's resources, capabilities, and competencies in order to gain an appropriate, sustained competitive advantage. Transformational leadership better understands that by focusing on the short-term and forgetting about core competencies in the face of changing circumstances or in a turbulent environment is likely to organizational failure or misalignment in meeting the firm's strategic goals. Hence, past scholars have past empirically investigated the

relationship between transformational leadership and strategic change and found a greater positive relationship.

A study conducted by Caldwell, Chatman, Margaret and Capiz (2008) on the effect of transformational leadership in implementing strategic change in the health care system, the importance of leadership and change readiness in the United States of America, found out that transformational leaders were more tolerance to mistakes, recognizes urgency, supported capability and provided the necessary financial and non financial incentives in the implementation of strategic changes quicker than those without. Similarly, a study on characteristics of chief executive officers and their openness towards change concluded that CEO¨s that tend to be more conservative with increased tenure to initiate strategic change in the organization as opposed to the newly executive who tend to report higher degree of effectiveness in strategic change initiation (Raffetery et al., 2013).

In another study conducted by Hough's (2009), targeting seven hundred and fifteen companies with entrepreneurial orientation indicated strong influence by transformational leadership and support for corporate entrepreneurship strategy and concluded that there exists a strong relationship with risk-taking chief executive officer (CEO) who encourages innovation in terms of new ideas generation in product innovation, technology, and processes. As suggested by Cladwell, Chatman, Margaret, and Capiz, (2008) concluded that the success in implementation of strategic change shift is more effective to the extent to which individuals agree to initiate the proposed strategic change agenda within the firms.

In a study examining the impact of transformational leadership on strategic change targeting seven hundred and fifty chief executive officers (CEO's) at international business machines (IBM) by Gilley, Gilley, and McMillan (2009) found out that transformational leaders were more effective in establishing an ideal organizational structure and communicating the vision to drive strategic change agenda. The findings further revealed that strategic leadership is also more effective in the implementation of strategic changes as their behaviors positively associated with successful strategic change implementation. The relationship between strategic change and transformational leadership significantly influences strategic change implementation by demonstrating commitment. They further, guide firms by designing and leading strategic changes more effectively in the firms they manage spreading the messages through all means. The research further demonstrated that effective execution of change dimensional of skills through an understanding of the relationships is a key element in the

successful strategic change initiation. Their ability in the motivating and communicating strategic change messages clearly is more effective and significantly is associated with effective strategic change implementation (Gilley, Gilley, & McMillan, 2009).

In a study examining the managerial skills necessary to implement strategic change administered to five hundred and fifty two students undertaking master's degree in business administration (MBA) organizational development program for a period of three to four years working professionals who represented array of industries responses by Gilley, Gilley, and McMillan (2009) found out that ninety-three strategic managers with certain managerial skills positively influences strategic changes, those possessing the skills were more likely to motivate, communicate, coach, build teams and their inability to recognize and respond to strategic changes continuously contributed to transformational leadership failure. However, the leaders' possessing some of the aforementioned attributes were linked to the variables under study (Gilley et al., 2009).

In a more recent study by Elanah (2013) on the influence of change preparedness in firms found out that there is a positive influence relationship between transformational leadership and change readiness; research concluded that the leadership establishes a clear organizational vision about the company's future by way of creating shared visions and inspiring the teams to cope with strategic change expectations. The ability of transformational leaders to identify suitable culture that positively contributes to the effective strategic change implementation at the top level is considered as an important variable for strategic change implementation.

A Survey study by Waldaman, Mansour and Verilla's (2004) on the effect of transformational leadership on strategic change in unpredictable environment concluded that evidence exists indicating that there was a positive relationship between transformational leadership and strategic change. The prediction of the firm's strategic change success is associated with high degree of strategic change leadership with transformational leadership skills; also the application of the upper echelons theory predicts firms strategic change effectiveness (Waldman et al., 2004). Similarly, strategic change literature review indicates that transformational leadership influences firms" strategic change effectiveness with a superior approach to improving interpersonal relationships in organizational development efforts which concentrate on style and the content of communication in understanding strategic change.

Stoner, Freeman, and Albert (2002) suggested that the process of consulting guides the organization members in understanding the magnitude of strategic changes when they work together. The leadership improves organizational effectiveness of the team, they diagnose the barriers to team strategic change and improving the inter-team relationships. In the efforts to improve communication processes, build cohesive teams that promote strategic change agenda at work, transformational leadership create and develop an enabling environment that encourages new idea generation and exchange programme between the leadership and the subordinates, they further provided suitably but defined reward system fitting structure in exchange for subordinate strategic change efforts pegged on positive contributions they make (Elsenbanch & Pilari, 2006).

2.4.2 Transactional Leadership and Strategic Change

Transactional leadership has also been referred to as managerial leadership which is viewed work as a process that enables some combination of ideas and people that to interact in order to establish strategies and making decisions jointly. In the process, they negotiate, bargain, and use contingent rewards, punishment or other forms of incentive. Transactional leadership relates to employees according to their roles in the decision-making process and how activities are done. Transactional leadership may lack empathy but rarely sought the involvement of others team players, but maintained a low-level emotional involvement in the relationships. They influence only the actions and decisions of those with whom they work with (Rowe, 2001).

Transactional leadership has been found to be ideal in contexts that represent day to day activities concerned with and more comfortable in functional areas of responsibilities. The leadership possesses more expertise about their functional areas but do not make decisions that are not subjective to value-based constraints in their decision making because of such pressures as being financially controlled. The style of leadership uses a linear thought process and believes in determinism, which is established and determined by the organization's internal and external environmental factors (Rowe, 2001). In another study conducted by Elanah (2013) on the participation of the employee in strategic leadership or decisions related to the strategic change in question positively influences strategic changes as transactional leadership provided a sense of urgency and control. On the other hand, the chief executive officers (CEO's) with poor transactional leadership skills contribute less to the strategic change success. The increase in the tenure of CEO in office in the organization and the

explanations that they were unable to implement strategic changes thus contributing to another statistics in the failure rate in strategic change implementation (Elanah, 2013).

According to Graetz (2000), who examined the relationship between transactional leadership and strategic change and found out that transactional leadership positively influences strategic change. The research further revealed that transactional leadership plays a key role in promoting and sustaining the strategic change agenda. The role of strategic change is seen to be clear when firms focus efforts and solicit employee involvement thus sending positive signals to the commitment to manage strategic change processes and by giving employees opportunities to participate in strategic change initiation agenda.

A more recent empirical study in the public sector conducted by Raffetry, Jimmieson and Armenakis (2013) on change readiness for strategic change in a multilevel firm review pay attention to employee readiness for change that should be incorporated in strategic change initiatives transactional leadership articulates positive attitudes towards strategic change as they offer an insight that has not been explored at individual and organizational levels. The notion that readiness for change to the extent to which employees positively initiate change and was likely to influence strategic implementation change for themselves and the entire organization.

Cladwell, Chatman, Margaret, and Capiz (2008) study on the importance of leadership in strategic change, contends that transactional leadership influences team's ability to implement strategic changes in new technology advances or change in strategy, production processes, organizational structure, an introduction of new executive officers and new product development. In the implementation of strategic change, the climate is a core success factor. Transactional leadership make decisions based on environmental dynamism and provide insights that better fit business environmental uncertainties. Finally, to succeed in strategic change implementation firms require both transformational and transactional leadership behaviors' regarded as important influencers of strategic change. This calls for a research to determine the extent to which they build a strong relationship and innovative behaviors.

2.5 Theoretical Framework

The study is guided by the Upper Echelons Theory. The theory holds that chief executive officer's views regarding guiding of firms are very crucial in terms strategic directions they intend to pursue in the attainment of corporate objectives. According to Hambrick and

Canella (2013), the theory is based on the top management teams in firms who view situations, opportunities, threats, alternatives, and likelihood of various outcomes through their own highly personalized lenses. Strategic leaders have their own individualized controls to initiate strategic change based on the executive's experiences, values, personalities, and other human factors. Most management proponents agree that those chief executive officers practicing strategic leadership (CEO's) have substantive effects on overall organizational strategic change of the firms. They lead in the transformation of employees to a better and performing fit with the organization (Waldaman, Mansour & Verilla 2004).

The study sought to understand how strategic leadership involves support staff in creating strategic direction the firm intent to take. The Upper Echelons Theory states that organizations are a reflection of top executives who view their situations through their highly personalized lenses using their Upper Echelons perspectives. Researchers have examined top management teams (TMT) composition and processes on organization's outcome and confined the basic logic. Upper Echelons Theory states that if there was a need to understand the strategy, they must understand strategists themselves. The theory is relevant as the TMT have a strong influence on the direction and strategic choices the firm intends to take as their experiences, values, personalities, greatly influence their interpretation of the situations they face and their choices as envisaged in vision and missions of the firms (Burns, 2000).

As advocated by Yabs (2010) the chief executive officers (CEO's) possessing strategic leadership skills in strategic change management have been linked to initiating strategic changes more successfully. Their inability to modify management style was cited as a barrier to successful strategic change initiation. The managers' ability to inspire, motivate for change and strengthening of the linkage between behavior and effectiveness in implementing strategic change was seen as a limitation. More so, strategic leadership requires that followers are empowered with up to date knowledge to take alternative courses of actions in order to make intelligent decisions. Armstrong (2007) argues that people learn ethics from people whom they admire and respect and have the control power over them. Strategic leadership is, therefore, suitable for role modeling, in that the leaders should not be hypocritical persons but should serve as effective managers, good planners, fair in their dealings, and as organized administrators; but leaders lacking motor skills cannot serve as effective managers, thus leaders should be skillful in aspiring enthusiasm and devotional. This cannot happen if there is an inadequacy in managerial skills which may lead to channeling of the energy elsewhere.

Therefore, many organizations are now putting emphasis or a premium price on managers who possess strategic leadership skills as a model to organizational change.

Furthermore, the chief executives play key roles in strategic change effectiveness in the firms in order to remain competitive and strategically position themselves. They need to be ready in the proper managing of firms faced with a volatile environment to influence the firm's relationship in a positive manner. Therefore, the presence of strategic leadership constitutes a driving force and as an influencer to the firm's ability to initiate strategic changes.

The framework of this study is based on Upper Echelons Theory. The framework is presented in a systematic manner and to explain the relationship between the variables. In this particular study, the independent variables are the strategic leadership which comprises both transformational and transactional. The dependent variable is strategic change measured in terms of product focus, organizational structure, processes, market focus, and executive personnel. Extraneous variables were environmental factors, technology, economic and resources. The variables and their relationship are shown in Figure 2.1

Extraneous Variables

Environmental factors
• Technological
• Resources
• Economic
• Political
• Socio- cultural
• Legal

Independent   Variables

Strategic leadership
• Transformational Leadership - dimensions
• Charismatic
• Motivational
• Individualized
• Intellectual stimulation
• Transactional Leadership
• Contingency reward
• Management by exemption
• Explicit agreement

Dependent Variables

Strategic change
• Product focus
• Organizational structure
• Production processes
• Market focus
• Executive personnel

Figure 2.1: Theoretical Framework Model of the Relationship between Strategic Leadership and Strategic Change

As shown in Figure 2.1; it was expected that strategic leadership directly affected strategic change. Further, as prior research by (Jooste & Fouries, 2009) suggests a weak positive relationship in influencing strategic change but not proportionate. The effectiveness of strategic change was affected by extraneous variables which included the developments in the environment, economic, legal, political, technological, social - cultural and resources deployment. Strategic leadership was characterized by both transformational which relies on the following dimensions(charismatic dimension, motivational, individual consideration, and intellectual stimulation) to influence strategic changes whilst transactional leadership uses

contingency rewards, management by the exemption and explicit agreement to initiate strategic changes in paper and board manufacturing firms. The firms were assessed by the extent to which they have initiated strategic changes in the following areas of the operations; product focus, changes production processes, changes in market focus, organizational structures adjustment and an introduction of new executive personnel. The firm's strategic leadership capabilities affect the firm's capability in the management of strategic changes as they manifest.

The extraneous variables may either hinder or facilitate strategic changes progress by impacting on the extent to which the firms implement emerging strategic changes. Thus, the organizational extraneous variables were expected to affect strategic change implementation as influenced by strategic leadership.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a description of the research methodology. The chapter describes the research design studied, sample of the study, sampling methods, method employed in the analysis and summarizing of data.

3.2 Research Design

The study adopted a correlational research method which had quantitative and qualitative approaches to investigate possibilities of variables relationship. It was appropriate as the researcher was interested in delineating nature and strength of the relationship between the variables. The study also used a cross-sectional and sample survey for data was collected from a sample over a period of three months.

3.3 Population of the Study

The population of the study comprised paper and board manufacturing firms in Kenya which are the members of Kenya Manufacturers Association (KAM). These are firms whose activities involve mechanical transformational of organic substances into new product conversion. They comprised 84 firms (Appendix II) in the paper and board manufacturing. The enterprises were located within Eldoret, Nakuru and Nairobi. The firms were identified using the Kenya Association of manufacturer's directory (KAM, 2014).

3.4 Sample and Sampling Procedure

Primary data was collected by means of a questionnaire which measured strategic leadership (transformational and transactional) and strategic change (Appendix I). The sample size was determined using Krejcie and Morgan's (1970) (Appendix III). A sample of 70 firms was sampled in the paper and board firms from a target population of 84.

3.5 Data Collection

The primary data was collected which measured critical criteria on strategic leadership and strategic change using a closed-ended Likert type scale questionnaire. (Appendix: I) the approach to chief executive officers comprised a letter of authority obtained from the faculty delivered in person, secondly, the selection of the sample size was done using Krejcie Morgan, 1970 where the number of sample size was 84 the number fell between 80-85 which gave a sample size of 70. Thirdly the questionnaire was distributed to respondent the

executive officers. Finally, data was electronically collated into a database using excel package.

3.6 Measurement of Variables

Research variables were operationalized by borrowing from past related studies. The indicator and items to measure each of the variables are shown in Table 3.1.

Table 3.1
Summary of Hypotheses and Analysis Techniques

Research Hypotheses	Independent Variables	Dependent Variables	Statistical Analysis
Transformational leadership has a positive effect on strategic change	Transformational leadership	Strategic Change	Pearson Correlation
Transactional leadership has a positive effect on strategic change	Transactional leadership	Strategic Change	Pearson Correlation

 Source: Author (2018)

3.7 Validity and Reliability of Instruments

Validity is the degree to which results obtained from the analysis of data actually represents a true phenomenon of study. Poor validity degrades the precision of a single measurement and reduces the ability to characterize relationships between variables in a descriptive study (Nieswiadomy, 2002). The experts at Egerton University in the faculty of commerce were consulted to determine the degree of validity. Reliability is the indicator of how well the different items were used after repeated trials and are homogenous and capable of independently measures the concept for overall measures. According to Cozby, (2001) poor reliability degrades the precision of a single measurement and reduces the ability to track changes in measurements in the study.

To assess the reliability, Cronbach alpha coefficient was used to establish the internal consistency of the responses from the sampled firms which included Comply industries Limited, Rosoga Limited, Raipy, Transafric Limited and TC limited (appendix V). Cronbach alpha for strategic leadership instruments was 0.878 and for strategic changes was 0.842 as

computed on the results obtained on how items that were correlated deletion of Q1 and Q2, reliability was 0.773. The coefficient was above the threshold of 0.7 hence, the instrument was considered to be reliable.

3.8 Data Analysis and Presentation

The data collected from the field was edited and coded to ensure completeness and accuracy. The data analysis was executed using statistical package for social sciences (SPSS) 2010. Data obtained from the research questionnaire was summarized using descriptive statistics which included percentages, mean and standard deviations. Inferential statistics were used to test hypotheses H_1, H_2 and H_3. The combined effect of the elements of strategic leadership (transformational and transactional) on strategic change (H_3) was tested using a multiple regression model shown below.

$$Y = a + \beta_1 x_1 + \beta_2 x_2 + \varepsilon$$

Where:

Y= strategic Change

a = constant

$\beta_1 - \beta_2$= regression coefficients

X1= transformational leadership

X2= transactional leadership

CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Introduction

The chapter presents and discuses the results with reference to the objectives of the study which were to determine the effect of transformational, transactional leadership and combined effects of both transformational and transactional leadership on strategic change. The chapter also presents the results of descriptive statistics and analysed the tests of the hypothesis.

4.2 Descriptive Statistics

This section presents and discusses the results of descriptive statistics of the profile of respondents and organizations. It also presents descriptive analyses results of the study variables.

4.3 Response Rate

The study targeted 70 firms in Kenya; responses were obtained from 67 representing a response rate of 95.7% in strategic change in the paper and board manufacturing firms in Kenya. In this study, questionnaires were administered to 70 respondents and 67 of them were realized. According to Mugenda & Mugenda (2003) a response rate of 50% or more is adequate and acceptable 95.7 % is very good.

Table 4. 1
Response Rate

Response	Frequency	Percent
Returned	67	95.7%
Unreturned	3	3.3%
Total	**70**	**100%**

4.2.1 Profile of the Organization

The 67 firms that were studied and assessed in terms of characteristics of the respondents based on the gender, age, working experience and the education level of education. The data on these characteristics is presented in Tables 4.1, .4.2, 4.3 and 4.3

4.3.1 Gender of the Respondents Distribution

The respondents were asked to indicate their gender and the response is as shown in Figure 4.1.
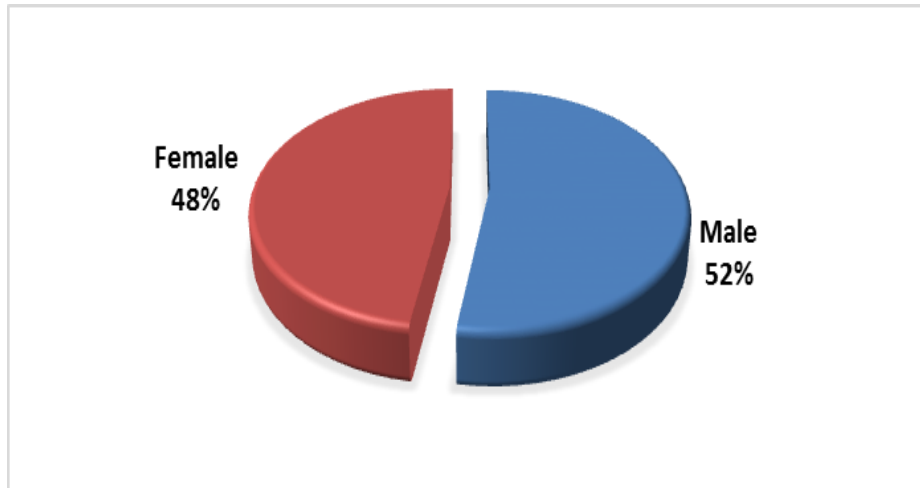
Figure 4.1: Gender of the Respondents

The study results on the gender of the respondents indicated that slightly more than half of the responses (52%) were male. The remaining (48%) were female. This indicates that there was a fair distribution of both genders, though slightly with more male respondents. The difference in gender representation indicate the population ratio where there is more male than female in the sector. This also implies that male dominate the sector as 52%:48%

4.3.2 Age of the Respondents

The respondents were asked to indicate their age and the response.

Table 4.2
Ages of the Respondents

Age of the Respondents	Frequency (F)	Percent (%)
Under 30 years	30	31.3
31-40 years	13	20.0
41-50 years	21	31.4
Over 50 years	11	15.7
Total	**67**	**100.0**

As shown in Table 4.2, the findings on the age of the respondents indicate that majority 31.3% were of the age under 30 years, 20.0% were under the age of 31-40 years; 31.4% fall under the age of 41-50 years while 15.7% were at the age above 50 years. The findings imply that most the respondents were at their career peak. It also implied that most respondents were youths most likely to impress strategic change leadership.

4.3.3 Working Experience

The respondents were asked to indicate their working experience and the response were:

Table 4.3
Working Experience

Working Experience	Frequency (F)	Percent (%)
0-5 years	24	35.7
6-10 years	37	55.7
11-15 years	5	8.5
16 and above years	0	0.0
Total	**67**	**100.0**

As shown in the Table 4.3, the findings on work experience of the respondents indicates that majority (55.7%) had work experience of between 6-10 years, 35.7% had work experience between 0-5 years, 8.5% of the respondents had working experience between 11-15 years and none had experience more than 16 years' work experience. From these findings, it is evident that the respondents had worked for a considerable period of time and therefore were in a position to give informed judgment to the study and hence had knowledge about the issues that researcher was looking for.

4.3.4 Level of Education

The respondents were asked to indicate their educational level. The data was analysed using frequencies and percentages.

Table 4.4
Level of Education

Level of Education	Frequency (F)	Percent (%)
PhD	5	7.1
Masters	14	21.4
Degree	19	28.5
Diploma	29	42.8
Other	0	0.0
Total	**67**	**100.0**

Table 4.4 shows that 42.8% of the respondents had attained a diploma level of education; 28.5% had attained degree level of education. 21.4% had attained Masters and 7.1% respondents had PhD level while none had specified other levels of education. The findings on the level of education indicates that majority of the respondents were considered informed about the issue under study.

4.4 Strategic Change

The study sought to indicate to what extent firms' had initiated strategic change in the paper and board manufacturing in Kenya. The respondents were asked to indicate to which extent had initiated strategic changes in firms using the 5 indicators in response to objectives ranging from; "not at all" (1); "to a little extent" (2); "to a moderate extent" (3); "to great extent" (4); "to a very great extent" (5). The responses were analysed using mean score and standard deviations. Table 4.4 presents the results analysis.

Table 4.5
Mean and Standard Deviation for Measures of Strategic Change

Statements	N	Mean	Std Deviation
Product focused	67	3.73	0.67
Organisational structure	67	3.12	0.67
Production processes	67	2.99	0.71
Market focus	67	2.96	0.72
Executive Personnel	67	3.12	0.71
Overall Mean		**3.12**	

As shown in Table 4.5, the overall mean score for the strategic change dimension was 3.12. The item with the highest score was product focus in strategic change on what extent had been a focused (Mean=3.73, SD=0.67), while the item with the lowest score was that strategic change was based on the extent the firm market focus (Mean=2.9, SD=0.72). The results generally indicate that firms places greater extent on strategic change leadership based on the dimensions product focus, organizational structure (Mean =3.12, SD= 0.67) This implies that strategic changes in products innovation hence the growing need to match firm's strategic objectives to suite the customers' expectations within the changing environmental conditions. This supports the findings of Goll, Johnson & Rasheed (2006), who found out that properly, aligned organizational initiate strategic changes more successfully.

4.5 Strategic Leadership

Regarding transformation leadership (TL) the respondents were asked to indicate the extent to which they had initiated strategic change in firms. The respondents were asked to indicate the extent to which transformational leadership characterise the firms and how they influenced strategic change in manufacturing firms in Kenya; based on a 5-point Likert-type scale, from; "strongly disagree" (1); "disagree" (2); "neutral" (3); "agree" (4); to "strongly agree" (5). The data analyses on these variables were presented in table 4.5. The responses were analysed using mean scores and standard deviations.

Table 4.6
Mean and Standard Deviation for Measures of Transformational Leadership

Statements	N	Mean	Std Deviation
Coach employees to foster collaboration	67	3.73	0.67
Effectively rewards and recognised employees in decision making	67	3.12	0.67
Communicates appropriately with employees	67	2.99	0.71
Motivates employees and celebrate accomplishments	67	2.96	0.72
Establishes strategic control in decision making	67	3.13	0.55
Overall Mean		**3.12**	

As shown in Table 4.6, the overall mean score for the transformational leadership dimension was 3.12. The item with the highest score was that coaching of employees to foster collaboration in the manufacturing firms (M=3.73, SD=0.67), while the item with the lowest score was transformational leadership which motivates employees and celebrate accomplishments (M=2.96, SD=0.72). The result generally indicates that respondents agreed with statement that transformational leadership coaches employees to foster collaboration in the manufacturing firms. The findings supports (Sosik at el, 2005) who found out that transformational leadership influence strategic changes to greater extent affecting followers in more than one way. They were charismatic and make major strategic changes on the firm's vision and mission statements. They also initiate strategic changes in a better way through proper deployment human capital to achieve organizational effectiveness. The leaders guide the subordinates through their personal visions, energising and inspiring of the followers.

Regarding transactional leadership, the respondents were asked to indicate the extent they characterised firms. Each item had a 5-point Likert-type scale, ranging from; "strongly disagree" (1); "disagree" (2); "neutral" (3); "agree" (4); to "strongly agree" (5). To measure the distribution of the responses to the statements, mean and standard deviation was used.

Table 4.7
Mean and Standard Deviation for Measures of Transactional Leadership

Statements	N	Mean	Std Deviation
Tells employees what to do if they want to be rewarded	67	4.43	1.138
I tell employee what they have to know to do their job	67	4.45	1.124
Allows employees to take initiative and encourages teams	67	4.44	0.740
I allow agreements between what employees have to put group efforts	67	4.22	1.162
I involve in negotiations to what to accomplish on the job	67	4.33	0.819
Overall Mean		**4.42**	

As shown in Table 4.7, the overall mean score of transactional leadership was 4.42. The item with the highest score was that the leaders tells employee what they had to know to do their job in the best interest of the firms (M=4.45, SD=1.124); and the item with the lowest score was transactional leadership allowed agreements between what employees had to put in group efforts (M=4.22, SD=1.162). The results generally indicate that the respondents agreed with the statements that the leadership influence change to greater extent. These findings supports the findings of (Labovitz & Rosansky, 2004) who found out that transactional leaders create sense of commitment and pride in keeping operations running smoothly also they initiate and change structures by providing an appropriate reward system that enable employees meet their social needs. The motivational aspect helps subordinate to be satisfied in order to improve bottom line performance by clarifying roles and task requirements to the employees

4.6 Test of Hypotheses

This section discusses the results of the hypotheses testing.

4.6.1 Strategic Leadership and Strategic Change

The study sought to examine the effect of strategic leadership on strategic change. The data was analysed using the Pearson's correlation and presented on Table 4.8:

Table 4.8
Correlation Matrix for Relationship between Transformational, Transactional and Strategic Change

		Transformational leadership	Transactional leadership	Strategic change
Transformational leadership	Pearson Correlation	1	.416[**]	.330[**]
	Sig. (1-tailed)		.000	**.003**
	N	67	67	67
Transactional leadership	Pearson Correlation	.416[**]	1	.348[**]
	Sig. (1-tailed)	.000		**.002**
	N	67	67	67
Strategic change	Pearson Correlation	.330[**]	.348[**]	1
	Sig. (1-tailed)	.003	.002	
	N	67	67	67

**. Correlation is significant at the 0.05 level (1-tailed).

4.6.2 Transformational Leadership and Strategic Change

This study sought to determine the relationship between dimensions of transformational leadership, transactional leadership and strategic change as hypothesized in H_1 to H_2. To test the hypotheses, data were analyzed using Pearson's correlation shown in Table 4.8. The study results indicated that there was a positive significant relationship between transformational leadership and strategic change (r=0.330, p<0.05). The study, therefore, supports the study that transformational leadership affects strategic change.

The findings are consistent with Antonalis & House's (2003) who found that transformational leadership was more proactive and good at rising of followers' awareness for collective interest and helping the followers achieve extraordinary results thus having a

major impact to their organization change agenda. Transformational leadership has been considered to be more superior in motivating of subordinates to transcend their expected strategic change, making teams to strive for higher goals rather than shorter-term interests with a tendency to go beyond the day to day transactional managerial activities.

4.6.3 Transactional Leadership and Strategic Change

The study sought to establish the effect of transactional leadership on strategic change. The null hypothesis was formulated that stated that transactional leadership has an effect on strategic change. Data were analyzed using Pearson's correlation and the results were presented in Table 4.8.

The study result indicates that there was a positive significant relationship between transactional leadership and strategic change of the manufacturing firms ($r=0.348$, $p<0.05$). The results, therefore, indicated that there was a positive relationship between transactional leadership and strategic change in paper and board firms in Kenya. The findings are in consonance with the study findings by Daft (2003) who suggests that transactional leadership excel in managerial function they creating a sense of commitment and pride in keeping activities running smoothly. They achieve efficiency through the provision of plans, production schedules, and budgets to support the line functions with organizational requirements and needs that are valued in strategic change. Transactional leadership operates by building networks and those possessing good interpersonal skills were found to be the most appropriate working in a stable environmental condition. Transactional leadership attempts to encourage compliance rather than commitment through a reward system and exercise of authority and power. Furthermore, the leadership was found to be good at dealing with problems here and there but have inadequate capacity to provide the visionary leadership required to transform the future of the organization.

The findings were also in consonance with the study findings by Stoner, Freeman & Albert (2002). They suggested that transactional leadership determine what employees require in order to achieve their own aspiration and also that of the organization by classifying and helping the employees become confident that they stand to reach the organizational objectives by expanding their efforts. Transactional leadership thus can be imposed on an organization by the strong executive officers and the top management teams. Transactional leaders were found to be good at keeping the ship just afloat through the use and application

of disciplinary power and incentives rewards to motivate and enhance high-level strategic change in the organizations.

4.6.4 Effect Strategic Leadership on Strategic Change

The study sought to establish the joint effect of strategic leadership dimensions on strategic change. It was hypothesized (H_3) that transformational and transactional leadership jointly. have a positive effect on strategic change. The hypothesis was tested using a multiple regression. The results of the analysis are presented in Table 4.9.

Table 4. 9
Multiple Regression Results for Joint Effect of Transformational and Transactional leadership on Strategic Change

Model Summary									
Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.403[a]	.162	.136	.728	.162	6.206	2	64	.003

ANOVA[a]					
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.570	2	3.285	6.206	.003[b]
	Residual	33.877	64	.529		
	Total	40.448	66			

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.488	.598		2.486	.016
	Transformational	.287	.161	.224	1.781	.050
	Transactional	.314	.155	.255	2.024	.044

a. Dependent Variable: Strategic Change

b.Predictor (constant) transformational leadership, transactional leadership, joint effect of transformational and transactional leadership

Model in Table 4.9 shows that the effect of transformational leadership, transactional leadership on strategic change where R Square is 0.162. This shows that 16.2% of the variation in strategic change is explained by transformational and transactional leadership.

The ANOVA results show that the model was significant (F = 6.206, p <0.05). The standardized coefficients show that the effect of transformational leadership on strategic change is positive and significant (β = 0.287, t = 1.781, p < 0.05), and the effect of transactional leadership on strategic change is positive and significant (β = 0.314, t = 2.024, p < 0.05).

The results further show that transactional leadership has a greater effect on strategic change (β = 0.314) than transformational leadership (β = 0.287) to strategic change of the paper and board manufacturing firms.

From the unstandardized coefficients in Table 4.9, the following regression equation was developed:

$Y = 1.488 + 0.287X_1 + 0.314X_2 + e$.

These findings indicated that transformational leadership initiate strategic change in the organization and could ultimately improve the company strategic change agenda (McKee, 2003). On the other hand transactional leadership enhances strategic change implementation to greater by rewarding and execution of agreements in organizations. The leader accomplishes strategic goals and creating a sense of direction (Armstrong, 2006). The findings were in line with Burns (2000) who supports that strategic leadership initiates strategic greatly. Howell and Marenda (2009) also found out that transformational leadership influences strategic change successfully, these findings were also consistent with findings of Anatonalis & House (2003) who concluded that transformational leaders were suitable in implementing strategic changes and raising followers particularly engaging them fully to act in a positive manner.

The ability of transactional leadership has been found to be ideal in situations that represent day to day activities concerned with and more comfortable in functional areas of responsibilities. This form of leadership uses the linear thought process and believed in determinism, which was established and determined by the organization's internal and

external environmental factors. A study by Graetz (2000) who examined the relationship between transactional leadership and strategic change found out that transactional leadership positively influences strategic change. The research further revealed that transactional leadership played a key role in promoting and sustaining the strategic change agenda in organizations. Furthermore, suggested that strategic leadership develops a visionary roadmap thinking idealizing goals that represent a significant improvement in strategic change initiation Rowe, 2001.

CHAPTER FIVE
SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the major findings of the research, the drawing of conclusions and the recommendations of the study for various mitigations that firms can put in place in their efforts to improve on strategic change implementation to ensure a smooth transition as a result of major changes in firms.

5.2 Summary of Findings

This study determined the effect of strategic leadership on strategic change. The data for the study was collected from 67 paper and board manufacturing firms in Kenya. The findings revealed that the firms to a great extent practice strategic leadership in the organizations. The findings of the study base on the objectives of the study are stipulated as follows:

Firstly, the objective of the study was to determine the effect of transformational leadership on strategic change. The findings revealed a significant positive relationship between transformational leadership and strategic change of the manufacturing firms ($r=0.330$, $p<0.01$). The result indicated that transformational leadership had a positive effect on strategic change. Transformational leaders were more proactive good at rising of followers' awareness for collective interest and helping the followers achieve extraordinary goals or results thus having a major impact on their organizations. Transformational leadership has been considered to be more superior in motivating of subordinates to transcend their expected strategic change making teams strive for higher goals rather than shorter terms interests with a tendency to go beyond the day to day transactional managerial activities. The study, therefore, supported the (H_1) hypothesis.

Secondly, the objective was to determine the effect of transactional leadership on strategic change. The results indicated that there was a significant relationship between transactional leadership and strategic change of the manufacturing firms ($r=0.348$, $p<0.05$); the study, therefore, supported the (H_2) hypothesis which indicated a positive effect on strategic change. Transactional leadership excelled in managerial functions by creating a sense of commitment and pride in keeping a positive effect on strategic change. Transactional leadership organizational operates and function smoothly and efficiently in running by a provision of plans, production schedules, and budgets to support the line functions with organizational

requirements and needs that are valued in strategic change. Transactional leadership operated by building networks and those possessing good interpersonal skills were found most appropriate to working a stable environmental condition. Transactional leadership succeeds by attempting to enlist compliance rather than commitment through a reward system and exercise of authority and power. Furthermore, transactional leaders were found to be good at dealing with problems here and there but have inadequate capacity to provide visionary leadership that may be required to transform the future of the organization.

5.3 Conclusions

The broad objective of this study was to determine the effect of strategic leadership and strategic change in paper and board manufacturing firms in Kenya. The specific objectives of the study were to determine the effect of transformational leadership on strategic change and to determine the effect of transactional leadership on strategic change.

The first objective of the study was to determine the effect of transformational leadership on strategic change. The result revealed that transformational leadership positively influences strategic change through coaching employees to foster collaboration in the manufacturing firms. They tend to affect the followers in more than one way; they are charismatic and make major strategic changes on the firm's vision and mission statements by initiating strategic changes in better ways through proper deployment of human capital to achieve organizational effectiveness. This is done by guiding the subordinates through both personal organizational visions, energizing and inspiring the followers. Therefore, the results supported hypotheses (H_1).

The second objective of the study was to determine the effect of transactional leadership on strategic change. The results of the study also revealed that transactional leaders positively influence strategic change as they excel in managerial functions by creating a sense of commitment and pride in keeping things running smoothly. They initiate structures and provide appropriate rewards to meet social needs and help subordinate feel satisfied in order to improve their job performance by clarifying roles and task requirements for each employee. Therefore, the results supported hypotheses (H_2).

The study concluded that the combined effect of transformational and transactional leadership positively influence on strategic to a greater extent since the leadership exploits and maintain core competencies in firms they lead. The presence of transformative and

transactional leadership led to a number of outcomes that led to the easier implementation of strategic objectives in the organization. Leaders tend to pay particular attention to building the organization's resources, capabilities, and competencies through influencing and designing ideal reward systems motivating employees in order to gain an appropriate, sustainable competitive advantage. This made real strategic changes possible to take place in the paper and board manufacturing firms in Kenya.

5.4 Recommendations of the Study

The study was based on the Upper Echelon Theory to determine the effect of strategic leadership of transformational, transactional and the combined effect of both transformational and transactional. The findings of the study in the paper and board manufacturing firms have got the various implications for strategic management theory policy and practice as explained here below.

5.4.1 Recommendations for Management Policy and Practice

Based on the findings of the study, the following recommendations were made:-

Strategic leadership practices need to be assessed and adapted in the paper and board manufacturing firms in Kenya. This has proved the case in the assessment of strategic leadership in this study. Institutions that require their employees to adapt to strategic change should provide comprehensive training and continuous development programmes that will encourage leadership development to exhibit leadership behaviours such as those of building trust, inspiring a sharing of vision, encouraging creativity, emphasizing development, and recognizing accomplishments. Strategic leadership plays a critical role in influencing strategic change by ensuring that the organization makes effort to address both the work content and the work context by engaging in management practices to minimize employee alienation. They should demonstrate their commitment to the employees by sharing information, provide for the development and growth of employees within the organization and offer more than market-related incentives. In this era of empowered employees and teams, leaders still need to communicate to their subordinates the sense that the organization respects them and values the contributions they make. There is no need for strategic leadership in paper and board manufacturing firms in Kenya to continuously explore threats and opportunities in the turbulent environment.

5.4.2 Recommendations for Further Research

The study adopted a correlational survey as proposed Krejcie & Morgan (1970) in which data was collected from the chief executive officers, the frequent visits that were done were not cost effective and was a bit constrained in terms of time and incidental costs. A stratified and causal relationship could have provided linkages between the variables and relationships that were involved in the study which could have been increased the understanding of strategic leadership and strategic change. Further research should adopt a stratified and causal relationship design in data collection to enhance understanding of the relationships between the variables under investigations.

Further, research should be replicated in other sectors and in other countries but with larger companies of different sizes with wider sample design and to the sectors and researcher should enhance communication processes between them and the organizations to provide valuable insights in understanding. The replication should determine where the results of the study should be generalized to a wider context. There was also a need to cover other firms on factors related to strategic leadership and change as it can impact on strategic change to a larger extent by 51% to increase strategic change implementation.

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APPENDICES

Appendix I: Letter of Permission to Carry out Research Work

10th January 2017

Egerton University

Faculty of Commerce

Nakuru Town Campus

P.O. BOX 536-20115

EGERTON.

Dear Sir/Madam,

RE: PERMISSION TO CARRY OUT ACADEMIC RESEARCH

I am a Master of Business Administration student at Egerton University conducting a research study entitled "***Effects of Strategic Leadership on strategic change in the paper Board manufacturing firms in Kenya***".

The purpose of this letter is to request you to kindly fill in the questionnaire with precision and accuracy. The questionnaire is supposed to assist in answering specific objectives of the research which is being undertaken as part of the University requirement. Any information given herein will be treated with utmost confidentiality and only be used for the purpose of research. So kindly feel free to fill the questionnaire.

Thank you.

Yours faithfully,

Johnstone K. Wanjala

MBA Student

Admission No CM11/00725/12

Please give answers in the spaces provided and tick (.√) in the box that matches your responses to the questions where applicable.

SECTION A: Demographic and Respondents Profile.

1. Gender (Tick as applicable)

    a)   Male   ( )

    b)   Female   ( )

2.   What is your age bracket (Tick as applicable)

    a) Under 30years   ( )

    b) 31-40 years   ( )

    c) 41-50 years   ( )

    d) Over 50 years   ( )

3.   What is your working experience

    a) 0-5 years   ( )

    b) 6-10 years   ( )

    c) 11-15 years   ( )

    d) 16 and above   ( )

4.   What is your level of education?

    a) PHD   ( )

    b) Masters   ( )

    c) Degree   ( )

    d) Diploma   ( )

    e) Others   ( )

(1) Part 11: Strategic Leadership.

The statement presented below describe the aspect of strategic leadership kindly indicate the extent to which strategic leadership characterise your organization in the dimensions indicated. Using the key (where 1 – strongly disagree 2-disagree 3 - Not sure, 4- disagree 5- strongly Agree.

No	Statements	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	a)Transformation Leadership					
	Charismatic Dimension					
1	Coach employees to foster collaboration					
2	Effectively rewards and recognised employees in decision making team or individual contribution					
3	Communicates appropriately with employees					
	Inspirational/Motivational					
4	Motivates employees and celebrate accomplishments					
5	Establishes strategic control in decision making					
6	Encourages teamwork and collaboration					
7	Makes everyone around them happy on job					
8	Good at inspiring and Rewarding					
	Individualized Consideration					
9	Exploits and maintains core competencies in firm					
10	Sustain an effective corporate culture					
	Intellectual Stimulation					
11	Determines strategic direction /envision the future of the firm					
12	Develops human capital via involvement and participation					
13	Provides new ways of looking at issues in firm					
	b) Transactional Leadership					
	Contingency Reward					

No	Statements	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	Dimension					
1	Tells employees what to do if they want to be rewarded					
2	I tell employee what they have to know to do their job					
3	Allows employees to take initiative and encourages teams					
	Management by Exemption Dimension					
4	I tell employees what to know on the job					
5	I ask more of what is absolutely essential to get the job done					
	Explicit Agreement Dimension					
6	I allow agreements between what employees have to put in group efforts					
7	I involve in negotiations to what to accomplish on the job					
8	I establishes and honours agreements to build teams efforts					

Part 111: Strategic Change

The statement presented below describe the aspect of strategic change introduction, Tick as appropriate to what extent strategic leadership (transformational and transactional) have introduced strategic changes in the following areas in your company, using the key (where 1 –Not at all 2- To a little extent   3- To a moderate extent 4- To a great extent 5- To a very great extent.

No	Statements	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
		1	**2**	**3**	**4**	**5**
1	Product focus					
2	Organizational structure					
3	Production processes					
4	Market Focus					
5	Executive personnel					

Appendix III: List of Paper and Board Manufacturing Firms in Kenya

1) Adapak International Limited

2) Allpack Industries Limited

3) Andika Industries Limited

4) Associated Paper & Stationary Ltd

5) Colour Packaging Ltd

6) Colour Print Ltd

7) DL Patel Press Ltd

8) All Packs Industries Limited

9) East Africa Packaging Ltd

10) Carton Manufacturers Ltd

11) Economic Housing Group

12) East Africa Paper Converters Ltd

13) Ellams Products

14) Kenya Litho Ltd

15) Gti

16) Elite Offset Ltd

17) Graphic Allied

18) Guanch Stationary

19) Ea Packaging

20) Tetra Pack Ltd

21) Lab Kenya

22) LAB International

23) Kim Fay Ea

24) Kenafrica Diaries Ltd

25) Kenya Stationers Ltd

26) Timsales Limited

27) Timber Treatment International

28) Kul Graphics

29) Twiga Stationeries Ltd

30) Kenya Transafrica Limited

31) WP Wood Products

32) United Bags Manufacturers

33) Rosoga Investment Ltd

34) Rodwell Press

35) Vakharia International

36) EHG Limited

37) Tca Eldoret

38) Fine Wood Works Ltd

39) Furniture International Ltd

40) Biashara Master

41) Kenya Litho

42) Regional Treatment Plant

43) Autolitho Limited

44) Bag & Envelope Converters

45) Belsize Industries Limited

46) Brand Printers

47) Carton Manufacturers Ltd

48) Cartubox Industries E.A Ltd

49) Cempack Solutions Ltd

50) Chandaria Industries

51) Colour Labels Ltd

52) Comply Industries

53) Dodhia Industries Limited

54) English Press Ltd

55) Fortunes Printers & Stationary

56) Graphics And Allied Ltd

57) Highlands Paper Mills Ltd

58) Icons Printers Ltd

59) Interlabels Africa Ltd

60) Kartasi Industries Ltd

61) Kenya Wood Ltd

62) Label Converters

63) Limited Bags Kenya

64) Mafidi Paper Ltd

65) Manipal International

66) Modern Lithographic

67) National Media Group.

68) Newline Ltd

69) Panesar's Kenya Limited

70) Paper Bags

71) Paper House of Kenya

72) Paper Master

73) Pg Bison

74) Press Master Ltd

75) Print Pack Ltd

76) Printing Services

77) Punchlines Ltd

78) Rai Plywood (Kenya) Ltd

79) Rameo Printing Works

80) Rosewood Furniture Manufacturers

81) Shah Timber Mart Ltd

82) Standard Group Ltd

83) Stat Pack Ltd

84) Taws Ltd

Total = 84

Source: KAM (2014)

Appendix III: Table for Determining Sample Size for a Finite Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size. S is sample size.

Source: Krejcie & Morgan, 1970

Table 4. 10: Cronbach's Alpha Reliability Coefficient Scores for the Strategic Leadership

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.862	.847	21

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Q1	68.72	101.297	.416	.	.858
Q2	69.52	100.647	.628	.	.849
Q3	69.45	105.524	.470	.	.855
Q4	69.64	94.142	.739	.	.842
Q5	69.45	93.675	.706	.	.843
Q6	69.45	105.524	.470	.	.855
Q7	69.64	94.142	.739	.	.842
Q8	68.00	111.455	.173	.	.863
Q9	68.13	111.936	.111	.	.865
Q10	68.13	111.936	.111	.	.865
Q11	69.45	105.524	.470	.	.855
Q12	68.60	113.365	.019	.	.868
Q13	68.43	113.007	.048	.	.867
Q14	68.45	112.433	.036	.	.871
Q15	69.37	94.601	.714	.	.843
Q16	69.52	100.647	.628	.	.849
Q17	68.45	109.736	.348	.	.859
Q18	68.72	103.661	.556	.	.852
Q19	68.72	103.661	.556	.	.852
Q20	69.16	101.473	.563	.	.851
Q21	69.36	103.385	.470	.	.855

Appendix V: Reliability Test

Table 4. 11: Cronbach's Alpha Reliability Coefficient Scores for the Strategic change

	Reliability Statistics		
Cronbach's Alpha		Cronbach's Alpha Based on Standardized Items	N of Items
	.773	.773	5

	Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Q2	13.99	7.591	.800	.	.768
Q3	13.99	7.591	.800	.	.768
Q4	14.43	7.037	.743	.	.783