EFFECT OF STRATEGIC LEADERSHIP AND ORGANIZATIONAL CHANGE ON ORGANIZATIONAL PERFORMANCE IN CHARTERED UNIVERSITIES, KENYA

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A Thesis Submitted to Graduate School in Partial Fulfilment of the Requirements for the Degree of Doctor of Philosophy in Business and Management of Egerton University

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DECLARATION AND RECOMMENDATION

Declaration

I hereby declare that this thesis is my original work and has not been submitted to this or any other University for award of any degree.

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DEDICATION

To my loving parents Mr. James Sitienei & Mrs. Julia Sitienei and Mochokoret Rabbie.

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First and foremost, I am grateful to the Almighty God for granting me good health, strength, willpower and ability to do my work to completion.

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ABSTRACT

Leadership has undergone much adaptation to suit the unique needs of each organization owing to the changes in globalization, technology, demographics and work practices. As a result of this evolution, institutions of higher learning globally have embraced strategic leadership. The study involved cross sectional research design and a census of all the 48 chartered universities in Kenya. Questionnaire instruments were administered to 43 Vice Chancellors and 103 Deputy Vice Chancellors of the selected universities. A pilot study was conducted from three (3) public and two (2) private chartered universities that did not take part in the study to determine the validity of the instrument. Data analysis was done using descriptive statistics, simple regression, multiple regression, hierarchical regression analyses, t-test and Pearson correlation analysis. The response rate after data collection was 84.93% in terms of the respondents (Vice chancellors and deputy vice chancellors) and 76.7% response on the basis of universities that were targeted. The results of objective one indicated that transformational leadership style had a positive significant effect on organizational performance. Intellectual stimulation turned out to be the most effective element of transformational leadership. The results for the second objective indicated that transactional leadership had a negative and significant effect on organizational performance. When transformational leadership was combined with transactional leadership in a multiple regression in the third objective, both factors are significant with the direction of influence remaining the same as when regressed independently. The explanatory power of the two variables was 15.6%. In the fourth objective, organizational change was positively influenced by transformational leadership while transactional leadership remained insignificant. The independent variables explained 30.2% of the changes in the organizational change. In the fifth objective, the results indicated that organizational change had a positive and significant influence on organizational performance. The individual elements of organizational change explained 8.5% more changes in organizational performance. Finally, in the last objective, the moderating effect of organizational change in the relationship between strategic leadership and organizational performance was visible among Kenyan universities. Organizational change improved the explanatory power of strategic leadership from 15.5% to 38.9%. It was recommended that university management should consider implementing strategic leadership with keen interest in transformational leadership (intellectual stimulation) and organizational change (technology and strategic orientation) which have a higher predictive influence on organizational performance.

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LIST OF ABBREVIATIONS AND ACRONYMS

CEO	Chief Executive Officer
CUE	Commission of University Education
DVC	Deputy Vice Chancellor
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GoK	Government of Kenya
HDI	Human Development Index
IHL	Institutions of Higher learning
KESI	Kenya Educational Staff Institute
LIA	Letter of interim authority
MDG	Millennium Development Goals
MoE	Ministry of Education
VC	Vice Chancellor
ZIMCHE	Zimbabwe Council for Higher Education

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Organizations function in a relatively challenging environment which is characterized by a horde of stakeholders, ambiguous and often contradictory objectives, a high level of scrutiny and external political impacts on decision-making processes. The degree of environmental complexity denotes to the number of factors on which the institution is dependent, and the degree to which these factors are dissimilar (Piening, 2013). Shamir and Howell (1999) argued that, a high degree of complexity triggers transformational leadership behaviour since it is difficult to make organizational operations routine in these circumstances. Similarly, Karp and Helgo (2008) have highlighted the need for leadership during processes of organizational change in institutions of higher learning because of their complex behaviour. It is therefore expected that a high degree of environmental complexity is positively related to the leadership behaviour of the organizational leaders (Piening, 2013).

For learning institutions, Kouzes and Posner (2007) noted institutions of higher academic excellence, learning has been geared to achieve world standards which have placed a lot of demands on leadership style. Grounded on academic learning environment leadership is not just an emphasis on the organization's needs but is comprehensive of the vision of the nation in line with world standards (Voon, Ngui, and Peter 2009). Leadership focuses on the relationship between the leader and the employee.

1.1.1 Strategic leadership

According to Thompson (2004) strategic leadership denotes the ability to envision, maintain flexibility, anticipate and empower others to make strategic change as required. Further, Yukl (2010) observed that, strategic leadership is the absorptive capacity, adaptive capacity and managerial wisdom. The role of chief executive officers and senior managers in organizations is critical as they are considered trainers and architects of an institutional culture that permits people to exploit their exceptional talents (Schein, 2004). Strategic leadership therefore focuses on organization's strategies and its future. Although Conger (1999) indicated three dimensions of strategic leadership, namely, transactional, transformational and visionary. Dutschke (2005) noted five strategic leadership dimensions namely servant, transactional, charismatic, transformational and visionary. The study adopted approach by Nayab (2011) who indicated that transactional and transformational leadership are the greatest relevant

leadership styles to organizational characteristics such as organizational performance. It is in this basis therefore, that the study adopted transformational and transactional dimensions of strategic leadership since organizational performance is the dependent variable of the study.

According to Masungo, Masangu, Lilungu and Obunga (2013), transformational leadership is the process of impelling key changes in attitudes and norms of organizational members and building commitment for the organization's mission and objectives. Avolio, Bass, and Jung (1997) conceptualized transformational leadership as consisting of four dimensions namely: inspirational motivation individualised consideration, intellectual stimulation and idealized Influence. On the other hand, Bass (1998) conceptualised transactional leadership to consist of three dimensions, namely; contingent rewards, management by exception (active) and management by exception (passive). Bass (1998) distinguished transformational leadership as used in troubled times while transactional leadership is much more appropriate in good social times. He further indicated that transformational leadership stresses individual development of followers by enhancing support, recognition of individual differences while transactional leadership concentrates on rewards and punishment to enhance performance. Leadership, specifically strategic leadership has been widely used in institutions of higher learning in Kenya and other countries to improve their performance.

1.1.2 Organizational Change

Organizational change is a crucial characteristic of most organizations and organizations must develop adaptability to change otherwise they risk being left behind or being swept away by the forces of change (Khatoon and Farooq, 2016). Modern organizations are highly dynamic, versatile and adaptive to the multiplicity of changes. Effective change efforts in an organization must commence with personnel and groups evaluating an institution's "market position, competitive situation, technological developments and financial performance" (Kotter, 1995). Increasing international competition, accelerating technological change and growing customer expectations are generating a tempestuous environment (Khatoon and Farooq, 2016). In order to thrive in the swift and uncertain change, institutions combine diverse aspects of change to advance performance and embrace flexible workplace practices to enhance success (Gittleman *et al*., 1998).

Organizational change demands the optimization of performance standards which occasionally happen as either owing to the capability of the institution's managerial staff to be active to environmental changes or the incidence of a crisis. Whatever the case, the

institution will continuously need a well talented and accomplished management staff to enhance a successful performance. Van de Ven and Poole (1995) anticipated that institutional change is best explained with the support of theories such as the teleological theory, life-cycle theory and the dialectical theory. The dialectical theory assumed that an institution is just like a culturally varied society with very contrasting sights and opinions where new institutional values develop due to one force dictating the other and a goal is afterward established therefore causing organizational change. Augmented inclusiveness of more planners with additional resources would consequently lead to superior planning teams, enhanced analysis of the environments, improved options for different systems, enhanced choices of such systems and better enactment plans, all of which would result ultimately to better performance.

The life-cycle theory asserts that every association is an entity of its own with internal and external environment all through its life cycle (Ebongkeng, 2018). Similarly, the teleological theorist is of the perception that any variation in an institution is as an outcome of an endeavor to attain an ideal state with unceasing processes beginning from goal setting, execution, assessment and finally streamlining. Change is inexorable, is for better or for worst, subject on where you view it. Change presses on our luxury zone. Change has an adjustment moment which differs on the individual or an institute. It is measured by its influences on all who are linked to it (Okenda, Thuo, & Kithinji, 2017).

Researchers have revealed that features of change such as change in communication, leadership, participation, attitude of top administrators and promptness for change are connected to accelerating intuitional performance and the input of these aspects of change has been studied empirically (Bhattacharya *et al*., 2005). Regardless of the fact that significant features of change lay the ground for the change in the institution, the manner of interconnecting change is paramount to the active enactment of institutional change and has made work extra suitable which surges employee flexibility to organize work (Khatoon and Farooq, 2016). Communication refers to the exchange of information and the transmission of meaning (Gilley *et al*., 2009). The incapability of the top management in persuading the subjects about change could endanger the entire change process and its envisioned impact in the organization (Fox and Amichai-Hamburger, 2001). Participation of top management and workers in an institutional context is delimited as the dynamic contribution of workers and management in the decision-making process of an institution (Chirico and Salvato, 2008).

The attitude of top management's concerning institutional change is well-defined as management's psychological tendency conveyed by general positive or negative evaluative judgment of change (Lines, 2005). Attitudes concerning the institutional change could be regarded as paired to the satisfactory (bottom line) outcomes, for instance survival and profitability. To deliver more cohesiveness, managers must pay attention to the culture of the institution (Hirschhorn, 2000). Fox and Amichai Hamburger (2001) further highlight the significance of using emotional fundamentals when conveying information about the change since their coaxing role to eliminate resistance to change reliant on the strength of the relation between cognitive and emotional facets, upsetting the emotions will result to cognitive elements alignment with them (strong relation), or at least minimize the employees' emotional objection to the change (weak relation).

Change in large complex organizations such as universities can be defined as working at multiple levels: structures, process, systems, organizations and institutions (Stephen, 2010). Availability of new ideas, technologies or capabilities within an organization has enhanced process and systems change driven by individuals or small groups within the institution. Inter-operable change characterizes changes which are not disruptive to the work of other systems and structures.

Christensen, Anthony, and Roth (2004) describe two types of changes. Firstly, sustaining changes which are in line with the existing activities and improve the functioning of the organization. In a university setting, they include for example, placing lecture handouts on a learning management system rather than students to picking up a physical copy from an office. Secondly, disruptive changes enhance creation of a completely diverse dimension of the work activities or redesign the existing ones. 'Low-end disruptive' changes can happen when the prevailing product surpasses the requirements of some consumers. New market disruptive' change can arise when customers are restricted by the ability or complexity of prevailing products. Online delivery of degrees is possibly a new market disruption, though the deficiency of success of essential universities to date demonstrates the constraints facing providers attempting to realize that impending (Cunningham *et al*. 2000; Zemsky and Massey, 2004).

Thus, with the dynamic world, should universities change in response to internal and external forces? Universities have existed for centuries and continue to offer academic programmes which offer essential opportunities (Stephen, 2010). The constancy of the institution and the

ostensible resistance to change may reveal the value to society of the organization in its current form. Technology is among change drivers that contribute to the efficiency of the organization. One obstacle to change may be the absence of strong evidence that technology is aiding educational outcomes for students (Means *et al*. 2009). Most definitely, despite internal complexities and capabilities, forces driving change are cannot be ignored by universities.

1.1.3 Strategic Leadership and University Performance

Ng'ethe (2012) indicated that universities in Kenya are operating in highly competitive environment worldwide and locally and this calls for management styles that enhance institutional performance. Fernandez (2008); Lin and Tseng (2013); Yang (2014) cited in Raimonda and Modesta (2016) indicated that the right leadership style might improve organizational performance.

Between 2002 and 2013, the Kenya education system experienced a proliferation of new chartered universities and expansion of the TVETs (Kagondu and Marwa, 2017). This was a move to establish at least one university in every province to decentralize the initially highly concentrated institutions in Kenya's capital Nairobi and its surrounding regions. This was coupled with a high student enrolment in universities exacerbated by high enrolment of self-sponsored students led to a shortage of facilities and services (Ogeto, 2015). Many reports including that of the World Bank faulted Kenya's education system for failing to produce graduates with the knowledge and skills that are considered crucial for Vision 2030 (Kagondu and Marwa, 2017). This skepticism emanated from the fact that many institutions were registering growing numbers of students with lack of commensurate expansion in physical infrastructure (Kuria and Marwa 2015). Kenya's Higher Education Institutions was hence increasingly experiencing a wave of unprecedented demands from their stakeholders namely students, staff, government, employers and society among others (Marwa 2014). This is despite the fact that Kenya's economic blueprint Vision 2030 identifies higher education as the highway through which Kenya's development goal of being a middle income and industrial country would be realized (GoK 2007).

The country's education 'master plan' (MoEST, 2007) enlists that quality of education should demonstrate a shift in focus away from simply passing exams towards an approach that encompasses the detection of talents and the advancement of analytical, creative potential and cognitive enhanced by the prudent utilization of resources. This probably explains why

McCowan (2018) assert that higher education institutions in Kenya now need to focus on learners and put their wants at the centre of all that they do.

Despite the university challenges, global and continental rankings have remained relatively stable (CUE, 2017). But as Kenya's higher education sector continue to grow, the need to regulate its quality has correspondingly been growing. As a result, the government established the Commission for Higher Education (CHE) in 1985 later renamed Commission on university education (CUE) for regulating quality assurance in higher education with its initial focus being regulation of private universities to ensure they meet academic quality standards. However, a comparable risk was later identified for public universities and, since the enactment of the Universities Act 2012, all universities in Kenya must be chartered and their programmes accredited under the regulation of the CUE which serves as the external quality assurance mechanism (Kagondu and Marwa, 2017). Universities are expected to institutionalize their own internal quality assurance mechanisms (CUE, 2014). Despite the existence of regulatory agencies, quality control remains one of the greatest critical issues in the history of higher education in Kenya. Again the funding menace that universities grapple with in the recent past puts them to a tougher test of managing the huge populations with meager resources. The situation has been worsened by the decline in the numbers of private students against public sponsored one (CUE, 2017).

Kabetu and Iravo (2018) noted that strategic leadership produces higher organizational performance in organizations and indicated that strategic leadership has been adopted in the leadership of institutions of higher learning in the world over. Mathooko and Ogutu (2014) established that universities in Kenya practice strategic leadership as they have adopted different strategies at the three levels of management.

A study by Mahdi and Almsafir (2013) on the role of strategic leadership in building sustainable competitive advantage in the academic environment in Private Universities in Iraq was conducted. The findings discovered that a significant positive effect is present in this relationship, indicating that organizational performance is enhanced when strategic leadership is applied.

1.1.4 Higher Education Learning in Kenya

Higher education globally is in a period of change exaggerated by globalization, the introduction of mass access, varying relationships between the university and the state, and the new technologies, among others. It has intensely changed in the preceding two decades,

and the leadership of the institutions is yet to manage the implications of these changes (Fernando and Rosabe, 2014). Academic institutions and systems have faced pressures of increasing numbers of students and demographic changes, demands for accountability, reconsideration of the social and economic role of higher education, and the impact of new technologies, among others. While academic systems function in a national environment, the challenges play themselves out on a global scale. The basic institutional model and structure of studies are similar worldwide (Altbach, Reisbergb & Rumbley, 2019. Academic institutions have frequently been international oriented with common curricular elements and, in the medieval period, a common language of instruction was Latin. At the end of the 20th century, English assumed role as the primary international language of science and scholarship including the Internet (Pennycook, 1999).

Education in Kenya is historically among the most important sectors of the government. Educational system in Kenya, after independence, was structured after the British 7-4-2-3 model, with seven years of primary schooling, four years of secondary education and two years of advanced secondary education to be eligible for the 3-year university undergraduate degree program. There has been a shift to the American 8-4-4 model with eight years of primary schooling followed by four years of secondary education and a four-year undergraduate degree program since the 1980s to date.

In Kenya, each university was created under own Act of parliament to carry out education and research using their variety of qualified staff in different disciplines. The privatization of Universities and liberalization of the Kenyan economy in the 1990s changed the competitive environment in which the service industries operated. This contributed to the universities repositioning themselves for the challenge and developing of strategic performance objectives (GoK, 2005). All universities in Kenya have now come under the law that has empowered the Commission for University Education (CUE) to regulate the sector. The Universities Act, 2012 provides for the development of university education, the establishment, accreditation and governance of universities (GoK, 2012). The education sector in Kenya is anchored on the philosophy ‘provision of holistic quality and inclusive education and training for transformation to a knowledge economy, social cohesion and sustainable development’ (GoK, 2019). Kenyan universities are required by law to make necessary adjustments in their leadership and operations to fit into the provisions as stipulated by the Commission for University Education (GoK, 2012).

1.2 Statement of the Problem

The higher education system in Kenya has faced tremendous growth in the last 15 years and the quality of education has become a high profile issue. This is because graduates of universities are expected to be equipped with relevant knowledge, skills and attitudes necessary for advancing economic development (CUE, 2017). Strategic leadership has been adopted in the leadership of institutions of higher learning the world over and is expected to produce higher organizational performance (Ibrahim, 2008). It has been established that Kenyan Universities have adopted different strategies at the three levels of management and use strategic plans which are the key tools of strategic leadership Mathooko and Ogutu (2014). Indeed, universities exist in a competitive environment and strategic leaders being agents of change are expected to implement organizational change to shape the organization to enhance organizational performance through attainment of the desired future (Metwally, 2014). While strategic leadership can be executed at different levels, this study focused on the top positions (VC and DVCs) in the Kenyan universities as they play a crucial role in the strategic leadership and management of the institutions. This level of leadership is crucial, demanding and involves several functions such as planning, management, acquiring resources, development, motivating and aligning others, research management, students' management, international activities and at the same time principal steward (De Boer, Goedegebuure and Meek, 2010).

Currently, universities face challenges which include lowering of the university entry points which has jeopardized funding for the universities which depended on private sponsored students. The decline in budgetary allocation by the government to universities has called for a shift in resource mobilization strategies and management of these institutions for them to remain afloat. With implementation of strategic leadership and organizational change in the dynamic academic arena, universities are expected to perform better and remain stable despite the challenges they face. Thus, this study sought to evaluate the effect of strategic leadership and organizational performance moderated by organizational change in Kenyan Chartered Universities. It was done with the view of proposing aspects of strategic leadership that harbour more benefits to the performance of the universities while also highlighting the impact of change in the management of these institutions.

1.3 Objectives of the Study

The main objective of this study was to contribute to improved performance of universities in Kenya by investigating the influence of strategic leadership and organizational change on organizational performance. The specific objectives are as follows:

i. To determine the effect of transformational leadership on organizational performance in Kenyan universities
ii. To determine the influence of transactional leadership on organizational performance in Kenyan universities.
iii. To determine the combined effect of dimensions of strategic leadership (transformational and transactional leadership) on organizational performance in Kenyan universities.
iv. To determine the effect of strategic leadership on organizational change in Kenyan universities.
v. To determine the influence of organizational change on organizational performance in Kenyan universities.
vi. To determine the moderating effect of organizational change on the relationship between strategic leadership and organizational performance in Kenyan universities.

1.4 Research Hypotheses

H_{O1}: Transformational leadership does not have a significant effect on organizational performance in Kenyan universities.

H_{O2}: Transactional leadership does not have significant influence on organizational performance in Kenyan universities.

H_{O3}: The combined effect of dimensions of strategic leadership (transformational and transactional leadership) does not have significant effect on organizational performance in Kenyan universities.

$H_{O4:}$ Strategic leadership does not have significant effect on organizational change in Kenyan universities.

$H_{O5:}$ Organizational change does not have significant influence on organizational performance in Kenyan universities

H_{O6}: Organizational change does not have significant moderating effect on the relationship between strategic leadership and organizational performance in Kenyan universities

1.5. Significance of the Study

The findings of this study are expected to add new knowledge to the existing knowledge in strategic leadership, organizational change and organizational performance in institutions of higher learning. Strategic leadership has been lauded as the new agent of transformation of organizations yet little is known about its efficacy in management of Kenyan universities. The study thus sheds light to scholars and practitioners on the aspects of strategic leadership that could create better tidings to the institutions of higher learning in the country.

Secondly, the findings of the study may be used by the Commission for University to develop policies that will make universities to be more effective and efficient in the wake of the turbulence experienced occasioned by shrinkage in funding avenues. With proper and dynamic management, the universities will be expected to cope with this new set of challenges and survive.

1.6. Assumptions of the Study

The study was based on the assumptions that University's senior management team gave honest responses regarding their personal judgement about strategic leadership, organizational change and organizational performance. It was also assumed that university size did not affect the responses of the study.

1.7. Scope of the Study

There were 48 chartered Universities in Kenya in 2017 (Commission of University Education, 2017). A census was conducted in all the 48 universities. The main study focused on 43 chartered universities composed of 27 public and 16 private universities. The rationale was that chartered universities have adequate leadership establishment, research, educational and physical infrastructure. The target group comprised of senior management of each university. As a result, a total of 43 VCs and 103 DVCs composed the respondents of the study. The remainder of the universities were involved in the pilot study. The pilot study was conducted on 3 public and 2 private universities to determine the validity and reliability of the study. Three variables were considered for this study namely; strategic leadership and organizational performance moderated by organizational change. The study adopted transformational and transactional dimensions of strategic leadership. Data on the effect of change in organizational performance over the last three years was analyzed as used by Kamugisha (2013). The field data collection was carried out between the months of December 2017 and August 2018.

1.8 Limitations of the Study

Firstly, the study used self-report questionnaires to collect data and the information collected in the study was based on the participants' honesty, perception and emotions at the time of filling the questionnaire. This was overcome by prior administration of the questionnaires, an explanation of the purpose of the study and an assurance of confidentiality. Secondly, it was predicted that some respondents would be reluctant to respond to the statements on the questionnaire. This was however overcome by providing the rationale of the study and assurance of confidentiality to win their confidence and avoid any suspicion.

1.9. Operational Definition of Terms

Administrative ranks: Various levels of management attached to different roles, powers and responsibilities where and employee may rise from lower to higher levels of management on promotion.

Development Index: According to this study it refers to investment on infrastructure, number of staff, size of the institution, programme development, value of Grants, expenditure on staff training and development and revenue generation from fees.

Graduation and Research Rates: Graduation and research rates refer to the number of graduating students, number of research papers published in refereed journals, number of MoUs by the university and membership in council and editorial boards.

Organizational Change: This study will consider organizational change in terms of technology, strategic orientation and people behaviour that the leader is expected to shape in order to lead the organization to high levels of organizational performance.

Organizational performance: Organizational performance as the ability of an organization to acquire and utilize its scarce resources to achieve its goals. Organizational performance in this study will imply the input, process, output/outcome measures in a university.

Senior Management Team: Senior management team is comprised of the top two tiers of an organization's management. Hence in the context of this study, senior management team will refer to the Vice Chancellors and the respective Deputy Vice Chancellors in Kenyan chartered universities.

Strategic Planning: It is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, assess and adjust the organization's operations. According to this study strategic planning will mean a set of activities that will shift a university from the current to the desired state.

Students' Academic Rates: The number of students enrolled, number of students admitted, number of academic programmes and full time student/academic staff ration.

Transactional Leadership: A leadership approach where university senior managers provide incentives to the university employees to encourage them accomplish

organizational goals through contingent rewards, active management by exception (active and passive).

Transformational Leadership: A process where leaders take actions to increase their staff's awareness of what is right and important, raise their motivational maturity and move them to go beyond their own self-interests for the good of university through inspirational motivation, intellectual stimulation, individual consideration and idealized influence.

University: A university is considered as a public and private institution of higher learning created to educate for life and for a profession that is chartered by the commission for university education.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This Chapter entails literature review of the study variables in the study. It is sub sections: Section: Theoretical framework, Empirical literature, Organizational performance, Leadership, Strategic leadership, Transformational leadership, Transactional leadership, Strategic leadership in higher education, Organizational change, Strategic leadership and organizational change, Strategic leadership and Organizational performance, Strategic leadership, organizational change and Organizational performance, empirical studies and research gap and conceptual framework.

2.2 Organizational Performance

Organizational performance has been defined as a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Griffins, 2006). Organizational performance in this study will imply the input, process, output and outcome measures in a university (Ruben, 1999). Long and Thean (2011) claimed that organization performance was most commonly measured using traditional financial performance factors such as return on investment, earning power, and, most commonly, sales revenue. Ali *et al.* (2013) asserted that performance measures can be considered in three dimensions; financial performance, organizational effectiveness, and business performance. According to Ali *et al*. (2013), criticisms of the indicators themselves have included the fact that they tend to be based on what information is available, rather than a clear or coherent concept of academic quality. Choi and Mueller (1992) argued that there is need for an enterprise to simultaneously consider financial and non-financial indices when evaluating performance. Certain non-financial indices are important for a company's long-term operation such as product quality and employee satisfaction.

In Malaysia, although research has uncovered important predictors of institutions of higher learning performance, it has not fully explored the measures of strategic leadership (Mulford, and Silins, 2003; Senge *et al*., 1999). The success of strategic leadership in institutions of higher learning in Malaysia has significant contribution towards organizational performance (Shah, 2008). With the move by the institutions of higher learning embracing globalization, organizational performance appears to be geared consistently with the plans and objectives of the institution as a whole.

The role that higher education institutions play towards economic growth and social development in the current knowledge driven society is immense (OECD, 2015). As pronounced by Hazelkorn (2013) and Berbegal-Mirabent, Sánchez-García, Ribeiro-Soriano (2015), higher education institutions are important factors of growth and competitiveness, as they are key players of knowledge and innovation sources. But with the increasing global competitive environment, higher education institutions are undergoing considerable changes worldwide (Berbegal-Mirabent and Solé-Parellada, 2012; De Filippo, Casani, and Sanz-Casado, 2016) and facing new challenges, as they have been forced to redefine themselves to adapt to market forces without compromising quality (El Gibari, Gómez, and Ruiz, 2018; Heitor and Horta, 2013). Mägi and Beerkens (2016) indicated that nowadays a learning society and knowledge economy require specific competences, so changes are needed in the field of higher education. In this context, higher education rankings, an outcome of the competitiveness boosted by globalization, have put pressure on higher education institutions to implement internationalization strategies, opposed to their former nationally-oriented focus (El Gibari, Gómez, and Ruiz, 2018).

Since the publication of the first edition of the Academic Ranking of World Universities (ARWU) in 2003 and the successive league tables, like the Times Higher Education World University Ranking (THE) or the QS World University Ranking (QS), the comparative evaluation of the quality and the excellence of higher education institutions has been brought into the focus of public and policy interest (Gómez-Sancho and Pérez-Esparrells, 2012). There is no doubt that rankings will continue to dominate headlines in the field of higher education (Collins and Park, 2016; Frenken, Heimeriks, and Hoekman, 2017; Marope, Wells, and Hazelkorn, 2013; Tan and Goh, 2014). To these ends, they use various inputs and have a large variety of outputs. A composite indicator of performance of universities was developed by El Gibari, Gómez, and Ruiz (2018) covering the main mission of these institutions of higher learning. They noted that there have been a few attempts to evaluate university performance without using composite indicators, such as the U-Multirank and its Spanish version, CYD Ranking, which consider the scores of universities on individual indicators and place these in five performance groups (“very good” through to “weak”). Opposedly, most of the rankings existing nowadays have developed and used composite indicators to provide rankings of higher education institutions (Alasehir, Perit-Cakir, Acarturk, Baykal, and Akbulut, 2014)).

Other literature adopt composite indicators in order to analyze the quality of universities, such as Murias *et al*. (2008), who estimate a composite indicator for quality assessment in the Spanish public university system. As defined by Nardo *et al*. (2008), a composite indicator is an aggregate of all dimensions, objectives, individual indicators and variables used. This implies that what formally defines a composite indicator is the set of properties underlying its aggregation convention. In this context, the composite indicator should ideally measure multidimensional concepts which cannot be captured by a single indicator. Composite indicators are increasingly recognized as useful tools in policy analysis and public communication, because they provide simple comparisons that can be used to illustrate complex and sometimes elusive issues in wide-ranging fields, such as performance of higher education institutions. The literature on composite indicators is vast and provides a wide range of methodological approaches (the common practice in constructing composite indicators is well synthesized in (El Gibari, Gómez, and Ruiz, 2018; Gana *et al*., 2017). A good indicator should cover both the resource base of the institutions, the processes involved in turning resources into tangible output until its dispose to the market. Beyond this point, market acceptability measures should be developed to ensure the products from these institutions are well accepted and integrated in the global economic sysytems (El Gibari, Gómez, and Ruiz, 2018).

Ruben (1999) had used the input-process-output-outcome model to conceptualize the indicators of performance in institutions of higher learning in four steps namely input, process, output and outcome. The four aspects are what performance measures in universities entail. Tendency toward performance measurement reflects increasing call for accountability in higher education (Ruben, 1999). It is therefore, expected of universities to increase the efficiency and effectiveness in management since higher education is costly. Funds should be prudently and appropriately allocated. Any investment from the governments and individuals must have some kind of returns in contributions to the development of society, increase in educational output, employment AUCC (1995). This study will adopt the input-process-output-outcome model as shown in table 2.1 since it contains the appropriate measures of performance in institutions of higher learning in Kenya. Consequently, Kipchumba (2015) categorized the measures into three categories namely student enrolment, development index and student graduation rates which the proposed study will adopt

Table 2.1: The input-process-output-outcome Model

Input	Number of students enrolled, programme development, Number of Professors, Expenditure on staff development, Investment on infrastructure
Process	Number of student retention, Study efficiency
Output	Number of publications in refereed journals, Number of doctorate degrees conferred
Outcomes	Number of students graduating, Employment rate of the graduates in graduate job

Source: Performance indicators by Ruben (1999)

2.3 Leadership

Bolden (2004) has suggested that there is no widely accepted definition of leadership and that there is no common consensus on how best to develop leadership and leaders. It has been a subject of thought and debate since the time of Aristotle and Plato (Mc Caffery, 2004). Although there is little consensus on a single definition, leadership can be defined as a process designed to influence a group of individuals to work together to achieve a common goal. It therefore, focuses on leaders and followers (Northouse, 2007). Research on leadership since the late 1980s shifted in its focus and direction from traditional to contemporary leadership styles in the early to middle part of the 20th century, (Wong *et al*., 2003).

Altbach (2011) studied leadership studies in the UK institutions of higher learning since the 1990s. The findings of these studies were scrutinized with the need to adapt to a huge expansion in student numbers and the development of a fee-paying culture. This changed the expectations to a more student focused approach largely at odds with the traditional collegial approach. A similar view was noted by Davies Hides, and Casey (2001). The findings indicated that the change has driven a move in UK institutions from administration to a disseminating management culture (Clegg and McAuley, 2005).

Chetsanga (2011) noted that institutions of higher learning in Zimbabwe faced various quality challenges that led to the establishment of the Zimbabwe Council for Higher Education (ZIMCHE) to guarantee and maintain quality. ZIMCHE recognizes that quality assurance is the primary responsibility of individual universities and has described Vice Chancellors as the gatekeepers of quality hence the need to advocate for strategic leaders in universities. It is also critical to have leaders in universities who are capable of turning their visions into reality. Lim and Cromartie (2001) found a positive significant correlation between leadership

and organizational performance. Similarly, Evans (2011) noted that institutional leadership is the key to improving quality at the institutions of higher learning. University leaders must understand new challenges that affect quality delivery including the new regulatory requirements instituted by quality assurance agencies and be able to effectively restructure in order to ensure that standards and quality of educational provisions are being maintained.

Voon, Lo, Ngui, and Peter (2009) noted that in almost three decades of existence, leadership in universities remain a neglected perspective. On a broader perspective, Voon *et al*. (2009) noted that leadership in Malaysian institutions of higher learning indicate that leadership studies in universities are just evolving. Voon *et al.* (2009) further noted that of all the studies on leadership conducted in Malaysia only 23.6 % of the studies were conducted from public while 68.6% was from private Universities.

2.3.1 Leadership Paradigms and Measures

Four paradigms were proposed by Avery (2004): classical, transactional, visionary, and organic. The nine indices included in this review are decision making, range of staff's power, power distance between leader and the staff, key player of the organization, source of staff's commitment, staff's responsibility, situation of management and leadership in the organization, situation of diversity in the organization and situation of control in the organization. These nine criteria are considered more relevant for differentiating the four leadership paradigms than the other four criteria. Each paradigm is discussed in turn, including the distinguishing characteristics using the above nine criteria.

Classical leadership paradigm is the oldest with its origins in antiquity, and is still used in contemporary organizations (Jing and Gayle, 2008; Avery, 2004). This paradigm reflected the prevailing view in the business literature until the 1970s when the human relations movement led to more of a focus on followers and their environment. According to Avery (2004), classical leadership refers to dominance by a pre-eminent person or an 'elite' group of people. This leadership can either be coercive or benevolent or a mixture of both. This happens because the elite individual or group commands or maneuvers other members to act towards a goal, which may or may not be explicitly stated. The other members of the society or organization typically adhere to the directives of the elite leader, do not openly question their directives, and execute orders largely out of fear of the consequences of not doing so, or out of respect for the leader, or both (Avery, 2004). Classical leadership has some limitations.

The first occurs where the leader cannot command and control every action, particularly as situations become more complex and beyond the capacity of one person; or when additional commitment from followers is needed to get a job done, such as in reacting to changing circumstances; or when ideas about leadership change and followers no longer accept domination, or follower commitment starts to wane for other reasons. Another limitation is that this paradigm often relies on the idea of a 'great person', implying that only a select few are good enough to exercise initiative, and this belief can encourage followers to deskill themselves and idealize the leaders. Followers then seek and hold little power, leave the leader accountable for organizational outcomes, and make relatively little contribution to the organization (Avery, 2004).

According to the nine distinguishing indicators, under the classical leadership paradigm leaders normally use an autocratic style for making decisions, involving followers in the decision making process never or very little; they do not empower followers (Wang and Guan, 2018). Followers have almost no power in the organization and as classical leaders tend to be highly directive, followers can be unskilled. The source of followers' commitment comes from their fear of or respect for the leaders; the technical system becomes more regulating; the operations in the organization become more routine and predictable; and the organization is highly controlled by the leaders (Avery, 2004).

A transaction or exchange process is the basis of the commonly employed transactional leadership paradigm (Hu *et al*., 2018). The transactional leader recognizes subordinates' needs and desires, and then clarifies how those needs and desires will be met in exchange for subordinates' work. By clarifying what is required of subordinates and the consequences of their behaviors, transactional leaders are able to build confidence in subordinates to exert the necessary effort to achieve expected levels of performance. According to Judge and Piccolo (2004), three dimensions of transactional leadership are contingent reward, management by exception-active, and management by exception-passive. Contingent reward is the degree to which the leader sets up constructive transactions or exchanges with followers. The leader clarifies expectations and establishes the rewards for meeting these expectations. In general, management by exception is the degree to which the leader takes corrective action on the basis of results of leader-follower transactions (Judge and Piccolo, 2004). The difference between management by exception-active and management by exception-passive lies in the timing of the leader's intervention (Hu *et al*., 2018). Active leaders monitor follower behavior, anticipate problems, and take corrective actions before the behavior creates serious

difficulties. Passive leaders wait until the behavior has created problems before taking action (Howell and Avolio, 1993; Judge and Piccolo, 2004). According to Avery (2004), under the transactional leadership paradigm, leaders adopt a consultative style for making decisions. They engage in different degrees of consultation with individual followers, but the leaders remain the final decision-makers. Leaders do not very often empower followers, and followers have very low power in the organization apart from being able to withdraw from or contribute more of their labor.

Compared with classical leadership, under transactional leadership the source of followers' commitment comes from the rewards, agreements, and expectations negotiated with the leader rather than from their fear of, or respect for, the classical leader. The technical system becomes more regulating, the operations in the organization become more routine and predictable, and the organization is mostly highly controlled by the leaders. Avery (2004) argues that under transactional leadership, the followers' knowledge base can be somewhat higher than under classical leadership. Compared with classical leaders, transactional leaders require staff somewhat more skilled on specific tasks.

In the last three decades, visionary (transformational, charismatic) leadership has received increasing attention (Li *et al*., 2015; Avery, 2004). It added a new dimension to organizational studies, namely the visionary aspect of leadership and the emotional involvement of employees within an organization. A visionary leader can create an impression that he or she has high competence and a vision to achieve success. Subordinates are expected to respond with enthusiasm and commitment to the leadership objectives, and may be recruited because they share the vision. Unfortunately, followers can become dependent on visionary leaders, believing that the leader has everything under control. Also, innovation can be inhibited if people become reluctant to disagree with a visionary leader. Avery (2004) distinguishes the visionary leadership paradigm from the other three paradigms as follows. First, leaders employ a collaborative style for making decisions. They share problems with their followers and seek consensus before the leaders make the final decision. Visionary leaders empower their followers, giving followers a much higher level of power in the organization than classical and transactional leadership (Smith, 2016). This is essential because the leader needs the followers' input and commitment to realize his or her goals. Followers of visionary leadership need sufficient power to work autonomously towards a shared vision.

The fourth paradigm, organic leadership, is relatively new to organizational studies. Recently introduced by Drath (2001) and expanded by Jing and Avery (2016), organic leadership is likely to blur the formal distinction between leaders and followers. This paradigm relies on reciprocal actions, where team members work together in whatever roles of authority and power they may have, not based on position power. Employees become interacting partners in determining what makes sense, how to adapt to change, and what is a useful direction. Rather than relying on one leader, organic organizations are likely to have many leaders. Multiple leaders are valuable because as people cope with heterogeneous and dynamic environments, the knowledge and issues become too complicated for only a few leaders to understand (Avery, 2004). Organic leadership allows for people with different degrees of expertise on current issues to emerge and be accepted by the group as leaders. In addition, under organic leadership, there may be no formal leaders and the interaction of all organizational members can act as a form of leadership, held together by a shared vision, values, and a supporting culture.

Under this paradigm where an organization has no formal leadership structure, a need for an integrator may arise (Jing and Avery, 2016). The emphasis is on emerging leadership rather than on people being appointed to leadership positions. However, the possibility of autonomy, freedom, discretion and authorization may result in loss of control and greatly increased uncertainty. It is important to recognize that organic leadership is about generating a form of self-control and self-organization, where people have a clear sense of purpose and autonomy within a particular context.

2.3.2 Leadership-Performance Relationship

The impact of leadership on performance has been at the center stage of research for a long time (Rowe *et al*., 2005). This follows the most popular belief that leadership has a strong influence on the performance of institutions (Vargas, 2015). The style of leadership adopted is considered by many to be particularly important in achieving organizational goals, and in evoking performance among subordinates. Despite the widespread acknowledgment of the importance and value of leadership, when studying the leadership literature, it is striking that the concept of leadership lacks coherence and agreement.

It is widely believed that leadership creates the vital link between organizational effectiveness and people's performance at an organizational level (Avolio, 1999). There has also been a focus on the effectiveness of leadership styles and behaviors by management scholars

(Analoui, 1999; Avery, 2004). The documented research leaves many unanswered questions and gaps as regards performance emanating from effective leadership (Vargas, 2015). Different leadership paradigms could affect performance differently, depending on the context in which it is applied. Thus, when researching the leadership-performance relationship, the context needs to be taken into account and more paradigms need to be considered. However, while doing so it should be noted that there are methodological problems with most existing studies. The problem mostly a rise when measuring performance (Barling *et al.,* 2002). The quality of performance measurement is critical to determining outcomes about whether leadership matters and not all studies have been well designed (Dionne *et al*., 2002). Therefore a closer attention is needed to ensuring that the measures of organizational performance are adequate and sufficient (Hofmann and Jones, 2005; Keller, 2006).

Just like the dynamic product market, universities also face an environment of turbulent policy shifts and market needs. This has necessitated disruptive innovation-based competition, and performance rivalry (Frank *et al*., 2018). Scholars and practitioners suggest that effective leadership behaviors can facilitate the improvement of performance when organizations face these new challenges (Vargas, 2015; McGrath and MacMillan, 2000; Teece, Pisano and Shuen, 1997). Understanding the effects of leadership on performance is also important because leadership is viewed by some researchers as one of the key driving forces for improving a firm's performance (Leonidou, Christodoulides, Kyrgidou and Palihawadana, 2017; Zhu *et al*., 2005). Effective leadership is seen as a potential source of management development and sustained competitive advantage for organizational performance improvement (Rowe, 2001). For example, transactional leadership helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring employees have the resources needed to get the job done (Hussain, 2017). Visionary leaders create a strategic vision of some future state, communicate that vision through framing and use of metaphor, model the vision by acting consistently, and build commitment towards the vision.

Zhu *et al.* (2005) posits that visionary leadership will result in high levels of cohesion, commitment, trust, motivation, and hence performance in the new organizational environments. According to Mehra *et al*. (2006), when some organizations seek efficient ways to enable them to outperform others, a longstanding approach is to focus on the effects of leadership. This is because team leaders are believed to play a pivotal role in shaping

collective norms, helping teams cope with their environments, and coordinating collective action (Sun, Jie, Wang, Xue, and Liu, 2016). This leader-centered perspective has provided valuable insights into the relationship between leadership and team performance (Guzzo and Dickson, 1996).

Some researchers have started to explore the strategic role of leadership, and investigate how to employ leadership paradigms and use leadership behavior to improve organizational performance (McGrath and MacMillan, 2000; Meyer and Heppard, 2000; Judge, *et al*., 2002b; Yukl, 2002; Judge and Piccolo, 2004; Purcell *et al*., 2004; Keller, 2006). The reason for this is because intangible assets such as leadership styles, culture, skill and competence, and motivation are seen increasingly as key sources of strength in those firms that can combine people and processes and organizational performance (Purcell *et al*., 2004). Previous research leads to the expectation that leadership paradigms will have direct effects on customer satisfaction, staff satisfaction, and financial performance. However, in general, the effects of leadership on organizational performance have not been well studied, according to House and Aditya's review (Saasongu, 2015).

2.4 Strategic Leadership

Strategic leadership is a practice in which executives develop a vision for their organization that enables it to adapt to or remain competitive in a changing economic and technological climate. This is in respect of the development of the strategy, both in its formulation and in its implementation and realization in everyday life. Strategic leaders are able to use this vision to motivate employees and departments, fostering among them a sense of unity and direction, in order to implement change within their organization or streamline its processes. Strategic leadership typically manages, motivates and persuades staff to share that same vision, and can be an important tool for implementing change or creating organizational structure within a business. It therefore, focuses on strategies and the organization's future (Abdow and Abdikarim (2015).

Spreitzer *et al.* (2008) evaluated the five dimensions of strategic leadership identified by (Nayab, 2011) namely; servant, transactional, charismatic, transformational and visionary and found out that strategic leadership is developed through what leaders did and environmental perception. This study adopted transformational and transactional leadership as they are considered as the two most effective strategic leadership dimensions with an influence on organizational performance among different organizations (Dutschke, 2005).

Aslana, Dikenb and Aslan (2011) put forth the idea of establishing and developing "absorbed capacity" and "adaptive capacity" in order to have managerial wisdom by strategic leaders. The three were also described by Yukl (2010). Accordingly, absorbed capacity includes the awareness, learning and practice of new information. Adaptive capacity is the ability of change. Managerial wisdom is the ability of being aware of intuition, environmental perception and social relations. Strategic leadership is increasingly becoming a top focus in academic and business studies alike. Leadership at strategic level is the key issue facing 21st-century organizations (Elenkov, 2008). Without effective strategic leadership, the capability of a company or an institution to achieve or sustain a competitive advantage is greatly constrained (Elenkov, 2008).

2.4.1 Transformational Leadership

Transformational leadership is typically defined as a power and influence theory where the leader acts in ways that influence and appeal to followers' higher order needs, inspiring and motivating them to move towards a particular purpose (Bensimon *et al*., 1989). On the other hand, transformational leaders facilitate new understandings by increasing or altering awareness of issues (Haider, 2010). Unlike transactional leader transformational leader strongly encourages innovation and creativity. They believe that followers should set their own individual goals and try to achieve them themselves, yet at the same time supporting them with open communication channels and support.

Transformational leaders, not only tailor their behaviour to individual followers, but also to the entire team. That type of leader can motivate followers to do something more and go beyond their capabilities, yet, team work is the key in trying to achieve the goals. Braun, Peus, Weisweiler and Frey (2013) noted that it is sometimes hard for them to transform themselves into something different when they are trying to teach others. This requires an adequate training for them to be able to see other ways of achieving goals rather than giving clear instructions and rules.

Furthermore, the transformational leader convinces his followers to transcend self-interest for the sake of the organization, while elevating the follower's level of need on Maslow's theory of hierarchy of needs from lower -level concerns for safety and security to higher-level needs for achievement and self-actualization (Braun, Peus, Weisweiler and Frey, 2013). According to this theory, people will not achieve self-actualization if lower level needs have not been met. In other words, transformational leader understands that people will not be motivated to

achieve something if their basic lower level needs were not fulfilled. Transformational Leadership has evolved and contains elements of preceding leadership types, such as trait and behaviour theories, charismatic, situational and transactional leadership (Yahaya and Ebrahim, 2016). Avolio, Bass and Jung (1997) conceptualized transformational leadership as consisting of four dimensions which are discussed as follows:

The first dimension is inspirational motivation. It is the degree to which the leader articulates a vision that is appealing and inspiring to followers. According to Bass (1985), charismatic leaders use inspirational appeals and emotional talks to arouse follower motivation for the good of the organization. Further, Bass (1997) stated that both charisma and inspirational motivation are displayed when a leader envisions a desirable future, articulates how it can be reached, sets an example to be followed, sets high standards of performance and shows determination and confidence. This description suggests that vision and inspirational motivation might be combined into a single construct (Bass, 1990).

The second dimension is intellectual stimulation, which is concerned with the role of leaders in stimulating innovation and creativity in the followers by questioning assumptions and approaching old situations in new ways, (Voon *et al*., 2011). The leader's vision provides the framework for followers to see how they connect to the leader, the organization, each other, and the goal. Once they have this big picture view, they can creatively overcome any obstacles in the way of the mission (Yukl, 1999; Bass, 1998).

The third dimension is individualized consideration which refers to leaders paying special attention to each individual follower's need for achievement and growth by acting as a coach or mentor (Voon *et al*., 2011). This also encompasses the need to respect and celebrate the individual contribution that each follower can make to the team (it is the diversity of the team that gives it its true strength) (Bryman, 2007). This approach not only educates the next generation of leaders, but also fulfils the individuals need for self-actualization, self-fulfilment, and self-worth (Bass, 1998).

The fourth dimension is charisma or idealized influence. It concerns the formulation and articulation of the vision, challenging goals and motivating followers to work beyond their self-interest in order to achieve common goals (Weber, 1968). The author also identified vision as one of the elements that contributes to charisma. Charismatic leaders display convictions, take stands and appeal to followers on an emotional level. This is about the leader having a clear set of values and demonstrating them in every action, providing a role

model for their followers. Genuine trust must be built between leaders and followers. Trust for both leader and follower is built on a solid moral and ethical foundation (Bass, 1998).

Transformational leadership was investigated in Malaysian universities Asmawi *et al*. (2013), Christian colleges in North America (Webb, 2009), educational institutions in Pakistan Abbas *et al*. (2012) as well Van Ameijde *et al*. (2009) and jointly concurred that the nature and uniqueness of institutions of higher learning require transformational leadership which relies on distributed leadership project teams. Transformational leadership is viewed as particularly important for issues that challenge the status quo such as access, diversity, technology and quality (Kezar *et al*., 2006). Power and influence theories have yielded a range of insights that are of practical use in higher education (Kezar *et al*., 2006).

According to Bryman (2007), effective leader's behaviours in institutions of higher learning are setting directions, communicating it to the staff, having strategic vision, creating positive organizational climate, being considerate and treating staff fairly, being trustworthy and treating staff with integrity, involving academic staff in key decision making, providing feedback on performance. This is an indication that institutions of higher learning use transformational leadership but only a few studies have been documented in relation to that. The purpose of this study is to expound on the existing research on transformational leadership in institutions of higher learning in Kenya, and evaluate its effect on institutional performance.

2.4.2 Transactional Leadership

Transactional leadership is a style of leadership in which the leader promotes compliance of his followers through both rewards and punishments. It describes leadership as a transaction between a leader and a follower based on the clarification of expectations and the rewards for one's performance (Avolio & Bass, 2004). Transactional leadership is assumed to have an effect on performance beyond a leader's expectations (Judge and Piccolo, 2004). In practice, transactional leadership is seen a useful strategic dimension centred on leader-follower exchanges which affect organizational performance (Riaz, and Haider, 2010). Such leadership type is also known as managerial leadership, because it concentrates on supervision, instruction giving an individual/group performance. This is the most common model in most organizations. An example of this type of leadership can be given in relation to teacher-student relationship behaviour. Relationship behaviour means that the leader focuses on a good relationship with his or her team members (Coolen, Draaismaand Loeffen, 2015).

Transactional leaders tend to reward good work or punish a failure. Such leader monitors the performance, creates rules and sets clear expectations, yet leaving little room for creativity.

According to Burns (1978), transactional leadership is related to an exchange relationship that meets the exchange and partners' own self-interests. Transactional leadership behaviours primarily aim at the maintenance and monitoring of organizational operations. Jansen, Vera and Crossan, (2009) asserts that leadership behaviours shape the strategies to be pursued by the organization, develop the structure to implement them, direct subordinates' efforts and attention, and correct any mistakes or deviations from expectations. Premacks (2009) argues that finding ways of enhancing goal commitment is a key leadership task, suggesting that this will be achieved by strengthening individuals' outcome expectancies and self-efficacy. Bass 1998 conceptualized transactional leadership in three dimensions as follows;

Contingent reward is the first dimension which refers to leaders clarifying the work that must be achieved and using reward in exchange for good performance (Bass and Avolio 1994). According to Howell and Avolio (1993), the leader clarifies expectations and establishes the rewards for meeting organizational goals. The transactional leadership behavior constructs the foundation for specifying expectations, negotiating contracts, clarifying responsibilities and providing the rewards and recognitions to achieve the set objectives and expected performance between leaders and followers (Hussain *et al.*, 2017; Bass, 1985). The transactional leadership style satisfies the need of followers in the form of recognition or exchange or rewards after reaching the agreed task objectives and goals achieving the expectations of leaders. Transactional contingent reward operates at a more explicit, contract-based, level by clearly specifying role and task requirements for subordinates, setting performance criteria, and providing rewards for effort expenditure, as well as goal achievement (Xenikou, 2017). Employees are motivated to put effort toward doing their job well to achieve a variety of positive outcomes and rewards (Bass, 1985: Avolio *et al.*, 1999). Striving to accomplish goals (positive activation) is related to the experience of positive affect as, for example, when a person feels active, enthusiastic, excited, proud, and strong (Xenikou, 2017). Positive activation reflects the nature of transactional contingent reward in comparison to management-by-exception since the latter has the punitive character of the transactional leadership construct (Avolio *et al.*, 1999; Bass *et al.*, 2003). On similar lines, affective identification is thought to be associated with positive feelings about organizational membership, and affective commitment has been shown to be associated with the experience of more positive affective states at work.

The leaders having transactional behavior may foster the commitment of employees to new ideation by having the tangible recognition or rewards for thriving initiatives and the development of new ideas, thus the value is communicated directly to the followers about leader attachment in the program participation. To understand the organization focused ideation importance to the followers, the transactional behavior leader may be good in explaining about the target to reach. This will make the followers realize the importance of self-efficacy when they achieve the goals.

The transactional leadership behavior drives for excellence and efficient to encourage the followers to an ideation program, such kind of programs encourage the suggestions from employees for improving the existing firm services, procedures or products etc. Additionally, in institutionalized setting the leader having transactional behavior may be appropriate for ideation programs, where instead of managing old ideas, new ideas are managed by focusing on efficiency and standardization most effective in refining, reinforcing, or getting the benefits of the current routines and memory assets of firms (Vera and Crossan, 2004;Vera, D., and Crossan, M. (2004).

The second dimension is active management by exception. It refers to leaders actively monitoring the work of followers and making sure that standards are met (Avolio *et al*., 1997). The author further identified that the leader watches and searches actively for deviations from rules and standards in order to avoid divergent behaviour. Management by exception active, which refers to leaders who actively monitor the work of followers and ensure that the standards set are met (Antonakis Avolio and Sivasubramaniam, 2003). This is where leaders examine and monitor for any error or mistakes that happen and apply corrective action once the problem happen. MBE active can be supported by processes such as performance management using key performance indicators and monitoring performance regularly, giving clear instructions on what is expected on the job using a detailed job description, holding meetings with employees, assigning. Active management-by-exception is mainly based on taking corrective action. Leaders actively monitor and control followers' performance and watch closely for any mistakes they cause or for any rules they violate. If leaders, applying active management-by-exception, detect any failures, errors or deviations from standards, they take corrective actions as quickly as possible (Rothfelder, Ottenbacher, and Harrington, 2013).

Passive management by exception which is the third dimension refers to leaders intervening only when problems arise. It describes a leader who waits until behaviour has created problems before taking action (Bass, 1990). Avolio (1999) affirms that leaders intervene only when standards are not met or when the performance is not as per the expectation. Punishment is used as a response to unacceptable behaviour/performance.

2.5 Strategic leadership in Higher Education

A University is an institution of higher education and research, which grants academic degrees at all levels (Bachelor, Master, doctorate, and diploma), in a variety of subjects as guided by the University statutes (Sifuna, 2014). Effective leadership is central to an organization's success. Several studies have shown the positive effects of leadership development on a variety of organizational variables such as followers' satisfaction, commitment, and performance (Dvir, Eden, Avolio and Shamir, 2002). As Arsenault (2007) suggests, "Universities are definitively not immune to this need for effective leadership as they face similar challenges as any other organization". However, leadership development in higher education is still an under-investigated field of research and application (Liu, 2019).

Voon *et al.* (2009) noted that institutions of higher learning have been geared to achieve world standards of excellence putting a lot of demands on leadership styles. They further noted that, leadership in an academic learning environment is not just focused on the organization's needs but is inclusive of the mission of the nation. Strategic leadership creation in Egyptian universities has helped to bridge the gap between strategy formulation and strategy implementation by putting an equal emphasis on path finding, culture-building and delivery of value to the customer (Nicholls, 1994). Application of this approach of leadership assisted to sort out problems that required immediate solutions (Ramadan, 2013). Universities in Egypt operate in a climate of great change, along with increased responsibilities and accountability from Internal and external customers. This has resulted in calls for adoption of strategic leadership in all universities. This required radical paradigm shifts towards both people and customers that virtually turned the universities upside-down and inside-out (Nicholls, 1994).

Laohavichien *et al.* (2009) noted that transactional and transformational leadership are known to bring about great attention among many scholars in leadership studies. Adopting either transformational or transactional leadership behaviour helps in the success for the organization effectiveness. Bycio *et al.* (1995) showed that there were strong correlations

between scores on transformational leadership and extra effort which impacted on organizational performance. Besides, Sosik, Avolio, and Kahai (1997) noted that strategic leadership appears to produce higher organizational performance in the organization or business unit. The findings in these studies cited indicate that strategic leadership has been adopted in the leadership of institutions of higher learning in the world over. However, in Kenya there is very limited documentation of evidence of strategic leadership despite the fact that all universities operate using a strategic plan which is a tool in enhancing strategic leadership.

2.6 Strategic Leadership and Organizational Performance

Strategic leadership results in successful organizational performance in institutions of higher learning (Hitt *et al*., 2001). Judge and Piccolo (2004) and Ali *et al.* (2013) suggested that effective leadership behaviours can help improve performance when organizations are faced with challenges. It is also important to understand the effects of leadership on performance because researchers such as (Zhu *et al*., 2005) have considered leadership to be a key driving force behind the management performance of any organization.

Voon and Ayob (2011) noted that effective leadership is considered an active way to develop management and improve organizational performance. Transactional leadership, for example, can help an organization to more efficiently achieve its objectives by connecting job performance to rewards and also by ensuring that employees have the necessary resources. Zhu *et al.* (2005) and Mehra *et al.* (2006) argued that organizations that are looking for efficient ways to outperform their competitors often focus on leadership. This leader-cantered perspective has offered helpful insights into how leadership is related to team performance (Zhu *et al*., 2005). Northouse (2011) explored the strategic role of leadership and how leadership paradigms and leadership behaviour can be used to improve organizational performance. Previous research has generated expectations that leadership paradigms will directly affect customer satisfaction, financial performance, and staff satisfaction.

Tarabishy *et al.* (2005) suggested that leaders as well as their leadership styles influence the followers and also influence organizational outcomes. Although the studies reviewed in this section have suggested a hypothesized leadership-performance relationship, the existing findings are inconclusive and hard to interpret in regard to institutions of higher learning. Scholars such as Roslan et al. (2013) and Ali et al. (2013) are split regarding whether leadership helps enhance organizational performance. There is, consequently, a need for

future research to re-test the proposed leadership-performance relationship particularly in institutions of higher learning and taking the top management as key respondents in the study. Successful implementation of strategies formulated will depend on effective leadership provided by the top managers in the organization. However, too many leaders delegate implementation responsibilities and do not follow through on the actions (Speculand, 2011). One of the key drivers of strategy implementation is strategic leadership (Lussier and Achua, 2007).

Nordin (2013) in his study on transformational leadership behaviour and its effectiveness outcomes in institution higher learning in Malaysia noted that the impacts of globalization, technology advancements and competitive environment have forced higher institutions of learning is to adapt to strategic change so that they could remain relevant and competitive hence the need for strategic leadership behaviour. There was a positive and moderate relationship between transformational and transactional leadership outcomes respectively. On the other hand, Weinberg and McDermott (2002) focused on the relationship between strategic leadership and organizational performance in institutions of higher learning established contradicting results. Vogelaar and Soeters (2002) further found that strategic leadership played limited role in influencing organizational performance hence the need to carry out the proposed study to establish the link.

Obiwuru, Okwu, Akpa and Nwankwere (2011) considered strategic dimensions of leadership (transformational and transactional) and established a weak but insignificant effect between leadership and organizational performance. On the other hand, as claimed by several studies (Chang and Lee, 2007, Yiing and Bin Ahmad, 2009 and Yang, 2014) the effect of leadership style on organizational performance might be indirect. This justifies the existence of organizational change as a mediator in this study. Yang (2014) examined the effect of strategic leadership on organizational performance, among various institutions of higher learning and established that there is a clear correlation between leadership and organizational performance. Webb (2009) conducted a research in Iran that considered the adoption of strategic leadership in institutions of higher learning. Institutions of higher learning would require individuals who can inspire and transform the team and its members to achieve its extraordinary outcomes.

2.7 Organizational Change

Organizational change is a process in which a most desirable and suitable future form of an organization is perceived and route map is decided to get this new shape (Ali *et al*. 2013). Therefore, a visionary leadership with innovative approach is key to make this change happen successfully (Gesell, 2010). Higher education the world over is undergoing rapid transformation in the face of changing environmental dynamics (Mathooko, 2013). The author further noted that in Kenya, this transformation has seen a rapid expansion of institutions of higher learning in the recent past making higher education the biggest growth area. According to Boston (2000), institutions of higher learning experience different forces such as competition intensity that influence them for change and these forces will create expectations of improved efficiency and better services. When organizational changes are well planned and carried in a structured way, it leads to continuous improvement and organizational innovation (Boston, 2000). Institutions of higher learning must transform themselves first if they need to transform society for a more sustainable future. For these institutions to survive in such an environment, their strategies particularly in leadership therefore, need to focus on their customers (students, parents and industry) to deal with emerging environmental challenges which in turn pose managerial challenges. Gesell (2010) argues that the leader's role is very important in formulation, implementation and evaluation of change because it requires a well-structured way of managing the behaviour and attitudes of people working together. It also requires strong commitment of all the people to work together for a stated common vision.

Kong'a (2014) carried out a study on the effect of organizational change on performance of the Kenya Judiciary adopted structure and technology as measures of organizational change. Consequently, Schein (2004) carried out a study on organization culture and leadership and proposed that people behaviour and strategic orientation as measures of organizational change. This study therefore adopted organizational change measures by Schein (2004) and Kong'a (2014).

The first measure of change is structure. Ibrahim, Alawaye and Abosede (2012) defined structure as the way jobs are divided, where decisions are made and how work roles are coordinated. Its role is to facilitate the performance of firms through the implementation of Strategy. According to Cohen and Bailey (2007) organizational structure is a valuable tool in

achieving coordination (coordination of activities) as it specifies reporting relationships (who reports to whom), delineates formal communication channels and describes how separate actions of individuals are linked together. The majority of organizational changes can be considered structural changes according to Balogun (2004). These types of changes typically impact how an institution is run, from the traditional top down hierarchy. Some examples of these types of changes include the implementation of a company-wide non-smoking policy and any changes to the institutions hierarchy of authority and administrative procedures. Structural changes can also be considered transformational changes. Newell (2009) noted that organizational structures can inhibit or promote performance, depending on how effectively the supervisory relationships and workflow influence productivity. He further noted organizations structures are indicative of how an organization functions and are managed, how information flows and is processed within an organization and how flexible or responsive the organization is. A manager needs to know the type of organization she or he is working with in order to derive vital clues about the need or potential for change.

Strategic orientation is the second measure adopted by the study. An organizational strategy is the sum of the actions a company intends to take to achieve long-term goals. These actions make up a company's strategic plan. Strategic plans take at least a year to complete, requiring involvement from all company levels. Top management creates the larger organizational strategy, while middle and lower management adopt goals and plans to fulfil the overall strategy step by step. Developing an organizational strategy for an organization involves first comparing its present state to its targeted state to define differences, and then stating what is required for the desired changes to take place. According to Xu, Lahaney, Clarke and Duan (2003), it is only those firms that have put in place appropriate response strategies that will survive and achieve sustainable competitive advantage in institutions of higher learning. The authors identified product range in terms of course variety such as agriculture, engineering among others. Market coverage was identified in terms of local and/or international markets. They also identified diversification as a strategy that can be employed. Diversification, involves offering of other services and products besides its core mandate of education and research.

The third measure of organizational change is technology (Duan 2003). It implies the use of information and communication technologies (ICT) in work processes. It is essential tools to enable institutions of higher learning to move towards participation in providing knowledge to the society. It also, facilitates better mechanisms for administration (production process),

alternative strategies for improving teaching and learning, tools for research and dissemination, communication and network building (technology being used), In the last two decades there has been a widespread use of ICT around the world due to the expected benefits that have been achieved by the governments and organizations that have embraced it (Larsen 2003). He further noted that, technological change has had both positive and negative effects on employment levels. It has increased employment through the creation of new distribution outlets, which also require new original or modified content, resulting in increased employment in both production and distribution of content and, it has also resulted in displacement of employees, particularly through automation and smaller and simplified equipment.

People behaviour is the fourth measure of organizational change. Schein (2004) emphasized that people behaviour and attitude which are major indicators of organizational change normally stay stable until leader's act to change them. To change behaviour, it is important for leaders to demonstrate and provide the new values to the employees. Schein (2004) further indicated that negative and positive reinforcement can be used to instil desired values to the employees. Robbins *et al.* (2009) point out that for managers to motivate employees, they should be sensitive and understand individual differences, and what is important to each employee. This allows the manager to individualize goals, level of involvement and rewards to align with individual needs, design jobs to align with individual needs to maximize the motivation potential in jobs. According to Noer (1997), the leader, as a person, is the most important tool for change. The leader's spirit, insight, wisdom, compassion, values, and learning skills are all important facets in the capabilities to lead others to embrace change and redesign. It is the leadership's behaviour that makes the change situations more effective (Higgs and Rowland, 2005). The study further reveals that leaders must understand the reasons for the failure of change in any organization. They have to develop capabilities to be a successful change agent (Manikandan, 2010). If universities are to survive and keep pace with the rising importance of higher education to economic viability, their leaders must be willing to overcome the human desire to maintain a sense of equilibrium.

The fifth dimension is communication. According to Baker (2002), effective organizational communication focuses on openness in communication between senior management and employees resulting in improved employee engagement and productivity. Also in a cross-cultural environment, building and maintaining rapport for business relationships depends on the effective use of language and understanding differing communication styles. Van Reil

and Fombrun (2007) points out that communication is at the heart of organizational performance and encompasses the organizational initiatives that demonstrate social responsibility and good citizenship. They further indicated that effective organizational communication contributes directly to learning, team work, safety, innovation and quality decision-making in organizations and has become a strategic tool for employee engagement, satisfaction and retention in this age of increased competition for talent.

2.8 Strategic Leadership and Organizational Change

An organization that does not adopt changes cannot survive long in the market (Tidd and Bessant, 2018). The change process is very challenging and important for organizations and can lead an organization towards a path of success. It can also make them capable to meet future demands and to compete with other market players an effective way (Cameron and Green, 2019). Like many organizations, the survival, growth and prosperity of these institutions depend on how they respond to changes taking place in the environment. In view of this, strategic leadership plays a key role in positioning them in their striving to achieve sustainable competitive advantage. Therefore, for organizations to remain truly competitive over time as the environment changes, they have to learn to adapt and reorient themselves to the changing environment. Mathooko and Ogutu (2014) noted that for this reason, there has to be a deliberate and coordinated leaning to a gradual systematic realignment between the environment and the organization's strategic orientation that results in improvement in performance, efficiency and effectiveness. In order for an organization to remain successful in its business, there is need to understand the challenges, opportunities and threats that are provided by the external environment, so that the organization can take advantage of the opportunities and avoid threats.

Organizational change does not just happen, but it should be led by people who are skilful (Scott, *et al*., 2012). Effective leadership is one of the key advances higher education institutions are undergoing. Leadership that is able to make a change and focus on a better future is strategic leadership. Thus, one of the functions of strategic leadership is its role as an agent of change. As a result of the liberation, turbulence in the economy, and new government policies, universities have been undergoing changes to survive and compete effectively. To cope with the changes, universities have utilized this need for education by students and expanded the capacity to handle extra students (Lo, Ramayah and Run, 2009).

Universities in Kenya today are operating in a highly turbulent and dynamic environment as a result of liberalization of the higher education industry, resulting in an influx of many players. A major escalation in environmental turbulence means a change from the familiar world to that of new things, new technologies, new competition, new customers and a new dimension of social control (Ansoff and Mc Donnell, 1990). Schein (2004) noted that culture has a big impact on the process of change. There is therefore a link between leadership and change hence the proposed study that seeks to examine the effect of strategic leadership on organizational performance moderated by organizational change in institutions of higher learning.

2.9. Strategic Leadership, Organizational Change and Organizational Performance

Min (2012) established that contextual factors can determine the magnitude of influence leadership will have on organizational outcomes (Yukl, 2010). The characteristics of the context in which change is attempted could alter a leader's effectiveness. Organizational change has been noted to have contextual elements of change that influence employee behaviours Kim (2012) Change frequency reflects the iterative nature of continuous incremental change in an organization. Ideally, when a change initiative is implemented, employees modify their old work routines to retain more efficient and socially beneficial approaches in the workflow. However, continuous change can also disrupt attempted modifications, resulting in increased employee apprehension about work procedures and social norms.

Rafferty and Griffin (2006) provided evidence that employees experienced higher uncertainty as the number of internal changes (ranks of top management, consolidation of human resource functions) increased a fact that affected their level of performance. Higher change frequencies can also make relationships difficult to maintain, raising doubts about the interpersonal support employees might have previously experienced (Shaw, Ashcroft and Petchey, 2006). Such doubts are likely greater in work teams consisting of members with interdependent work relations. As members' work routines typically involve social interactions, high change frequency could disrupt their previously shared work responsibilities, as well as negatively affect their performance. This clearly shows that change is an important aspect to be considered in any leadership performance related studies because it has an effect on how the two variables relate eventually.

When change is infrequent in a work unit, its operational system remains relatively stable. In such environments, employees' work routines are not interrupted frequently, and adaptation demands are less imposing. As such, members are more confident in performing their tasks, and their need for managers' guidance and support tend to be less salient. When change is frequent, however, work routines that were a source of comfort to employees no longer exist (Espedal, 2006). Consequently, Kamugisha (2013) gives a contrary opinion that the need for organizational change starts when organizational management feels dissatisfaction from the current situation and that there should be frequent organizational changes to be able to cope with the ever turbulent environment in which Universities operate. Both change contexts place greater demands on members in the form of new constraints, conflicts, and effort expenditures. The result can lead to disparities between employees' performance, adaptation capabilities, heightening the need for clear guidance and support to cope with continuing change. When work routines and processes undergo changes, it is constructive for managers to engage in quality relational behaviours, such as increasing personal interactions with employees, providing resources and information support for work adjustments, and delivering formal and informal rewards for successful adaptations (Weickand Quinn, 1999). From the studies, it is evident that change is inevitable justifying the purpose of this study which seeks to establish the mediation by organizational change in the relationship between strategic leadership and organizational performance in Kenyan universities.

The study by Min (2012) established that organizational managers should be transformational during continuous incremental organizational change. Perhaps because of the closer contact managers have with employees in such change contexts, transformational leadership acts to generate beneficial relationships with their employees, which encourage positive change outcomes among the employees and the organization as a whole. The study also established that a frequent change context generates more demand for quality relationships between leaders and employees, which if met result in higher performance levels. Though this study was conducted in a commercial organization, it provides an effective base indicating how the moderated effect of organizational change influences strategic leadership and organizational performance with a focus on institutions of higher learning.

2.10 Empirical Literature

The aim of the empirical literature review is to achieve a more comprehensive understanding of the relationship among variables identified in the study and to establish gaps which require to be addressed.

A study by Kamugisha (2013) on the effects of change management in an organization; a case study of National University of Rwanda found that there are changes in the management of faculties. It also found out changes in the performance of the staff and recruitment requirement where administrative staffs are now required to have at least a bachelor's degree in relation to the positions they occupy. These changes were found to affect the organization human resources in terms of downsizing, outsourcing and recruiting staff to fill new posts. Technological changes in terms of enhanced internet and bandwidth in the university have considerably had a significant impact on the operations of the university both in academic and administration. It was therefore, important to carry out the current study to establish the moderating role of organizational change in the relationship between strategic leadership and organizational performance in Kenyan Universities.

Mahdi and Almsafir (2013) conducted a study on the role of strategic leadership in building sustainable competitive advantage in the academic environment in Private Universities in Iraq. The sample of the study was 44 Private Universities in Iraq. Data for this study were collected using a questionnaire survey. The supervised and unsupervised self-administered questionnaires were used for data collection and the respondents were all academic staff working at organizational level with leadership position in Private Universities. The survey was distributed directly to the 540 academic leaders attracting a response rate of is 81%. The study found a significant positive effect present in this relationship, indicating that sustainable competitive advantage is improved when strategic leadership is applied. Therefore, it was important to carry out the current study to establish the effect of strategic leadership on organizational performance in the light of the organizational change in Kenyan universities.

Al-Jaradat, Nagresh, Al-Shegran and Jadellah (2013) conducted a study on the impact of change management on employee's performance through a case study of university libraries in Jordan. Three areas of change were addressed namely, change in organizational structure, technology change and change in individuals. Questionnaires were used to collect data randomly. A total of 220 questionnaires were distributed. The study found that change in the organizational structure was not flexible, and therefore this organizational structure was not appropriate for the business requirements within the University Library leading to overlapping powers and responsibilities. The study found a significant positive relationship between performance of workers at a level $\alpha = 0.05$ with organizational structure ($r= 0.589$), technology ($r= 0.648$) and individuals ($r= 0.711$). The study recommended that in order to

ensure the success of the change program, it is appropriate to focus on organizational structure, human relations and technology and there must be a balance between these aspects to improve the performance of employees and this in turn reflects the quality of productivity.

A study by Mathooko and Ogutu (2014) sought to establish strategies adopted by public universities in Kenya in response to changes in the environment. The study used a descriptive research design and did a cross sectional survey of all the public universities in Kenya through administration of a structured questionnaire to the top management team. Additional data was collected through observations and interviews. The study established positive responses from 63 respondents out of 91, yielding a 69.4% response rate. The findings of the study noted that universities in Kenya practice strategic leadership as they had adopted different strategies at all the three levels of management; corporate, business and functional levels with each level having distinct characteristics. This study however, did not consider the most appropriate strategic leadership dimensions to enhance the operation of the strategy adopted. It was therefore important for the current study to effectively fill this gap by exploring and providing empirical evidence on the effectiveness of strategic leadership adopted by the institutions of higher learning in Kenya to enhance organizational performance in the light of the continuous change.

Pihie (2012) while reviewing the predictive effect of transformational leadership on effective leadership in institutions of higher learning in Malaysia sought to establish the role of the academic departments in the success of institutions of higher education. The study noted that the success of departments in institutions of higher learning directly depends on effectiveness of their leaders. The study sought to establish the head of departments' leadership styles and its relationship with leadership effectiveness in institution of higher learning in Malaysia. The study utilized a descriptive correlation research design. The target population consisted of all the 298 permanent lecturers of three Malaysian universities. To measure Heads of academic department's leadership styles and their leadership effectiveness as perceived by lecturers, Multifactor Leadership Questionnaire (MLQ) form was utilized. The results revealed that the lecturers perceived their heads of departments as fairly often displaying transformational and sometimes exhibiting transactional leadership behaviour. The findings of the study for transformational and transactional leadership styles were in line with MLQ norm (Avolio and Bass, 2004). This research also provided empirical evidence for educational administrators and researchers in developing countries regarding importance of Heads of Departments position as well as applications of transformational leadership theory. The research findings

empirically and theoretically contribute to the body of transformational leadership theory as it helped to determine the extent to which leadership styles influenced leadership effectiveness in institutions of higher learning. Though the contribution of these study findings to the strategic leadership theory in institutions of higher learning is notable, there was still need for further study to be conducted in evaluating the role of the senior management in enhancing organizational performance through adoption of strategic leadership in the presence of an ever changing work environment.

Masungo, Marangu, Obunga and Lilungu (2015) studied the effect of strategic leadership on the performance of devolved government systems in Kenya. The study adopted a descriptive correlation survey research design which allows the researcher to describe and evaluate the relationship between the study variables which are associated with the problem. Correlation survey design also allows a researcher to measure the research variables by asking questions to the respondents and then examining their relationship. The study used a census where all the administrative and the public relations officers for every devolved government system were selected to take part in the study as they were perceived to be knowledgeable on the issues under study and for which they are either responsible for their execution or they personally executed them. The study found out that strategic leadership significantly and positively affects performance of the devolved systems. Transformational leadership was noted to be particularly important in enabling the organizations to maximize their contribution to community outcomes which resulted in lower turnover rates, high productivity, employee satisfaction, creativity, goal attainment and better follower well-being. Having been conducted in the public sector setting, the study was found relevant in bridging the gap on strategic leadership dimensions in institutions of higher learning. However, there was need for a study to specifically consider the effect of strategic leadership in the light of organizational change in enhancing performance in institutions of higher learning in Kenya, hence the need for the current study.

Alsughayir (2012) carried out a study on human resource strategies as a mediator between leadership and organizational performance in business domains in Saudi Arabia using quantitative research design. The study collected data from a total of 270 lecturers from various universities in Saudi Arabia using the self-administered survey methodology technique. There was a direct positive relationship between leadership style and organizational performance and an indirect relationship between leadership style and human resource strategy as a mediator, while human resource strategies contributed positively and

significantly to organizational performance. While this study provides an appropriate insight on leadership and organizational performance, it focused on the mediating effect of human resource strategy. This raises validity of generalization of findings in the presence of change in developing countries such as Kenya. Therefore, the aims of the present study was to investigate the effect of strategic leadership on organizational performance in the context of institutions of higher learning in Kenya. Furthermore, it will explore the moderating effects of organizational change in the relationship.

A study by Kefa (2015) on organizational effectiveness in higher educational institutions management in Kenya noted that in order to achieve excellence in organizational performance there is need for a capable leadership to be in place. The study use purposive sampling to select respondents. The study established that leadership is both a research area and a practical skill regarding the ability of an individual or organization to "lead" or guide other individuals, teams, or entire organizations. The study noted that the Vice-Chancellors are the senior level decision-makers who chair the University Management Board and the Senate, thus providing leadership on issues relating to overall performance and operation of the institution. In this respect, their character traits and behaviour have a great influence on the institution's culture, policies and performance, and thus organizational effectiveness. Such decisions should be carefully based upon market trends and dramatic forces due to internal and external environmental changes. It was noted that the Vice-Chancellor, as group leader, must have broad vision and horizon in order to lead the institution to achieve a sustainable competitive advantage and organizational effectiveness. That is, an institution leader is considered to be a significant factor in determining the future success of the school. Thus, effective leadership must be spread across an institution in faculties, departments, among academics and administrative support staff, as well as top management. This study has effectively articulated the role of the senior managers in leadership of the university. The present study noted that the study findings were limiting in making appropriate recommendations regarding the effect of strategic leadership on organizational performance in the light of organizational change in institutions of higher learning.

Metwally (2014) studied the influence of leaders on different organizational outcomes such as employees` satisfaction. This study explored the influence of gender differences on leadership styles of Egyptian academics and its impact on subordinates` satisfaction. Questionnaires and interviews were used for data collection. Similar to Western countries, the leadership style was found to be significantly related to subordinates` satisfaction. Further,

transformational leadership was found to be significantly correlated to subordinates` satisfaction. The study noted that due to extraordinary impact of transformational leadership both on the individual and the organization, there is a need to encourage the application of transformational leadership in today's‘ organizations. Organizations should select leaders who have the necessary personality traits to exercise transformational leadership. It is however noted that, to effectively practice transformational leadership there is need for a crucial shift in individuals` values and beliefs. This is one of the hardest things to do because it requires change. Changing values and beliefs to build a calibre of transformational leaders makes change a necessity. This change occurs at two dimensions: organizational (micro) level and country (macro) level and for there to be effectiveness in leadership, this change must be effectively addressed. Metwally (2014) further noted that Transformational leadership needs change in values and beliefs of individuals. This change can be achieved using training programs at the organizational level. However, a change in the educational system at the country level to support a change in the mental structure at the organizational level is also important. This shows that though the findings provided an effective insight in the area of strategic leadership and change, the results were not conclusive because the study was conducted in an Arabic setting where Egyptians tend to be individualistic as they believe in individual rather than group work. The present study sought to establish the effect of strategic leadership in the face of change on organizational change in institutions of higher learning in Kenya.

2.11 Research Gaps

Studies have been conducted by several scholars such as Mahdi and Almsafir (2013) on the role of strategic leadership in building sustainable competitive advantage in the academic environment in Private Universities in Iraq was conducted. The findings revealed that a significantly positive effect is present in this relationship, indicating that sustainable competitive advantage is improved when strategic leadership is applied. Therefore, it was important to carry out the current study to establish the effect of strategic leadership on organizational performance in the light of the organizational change in Kenyan universities.

Mathooko and Ogutu, (2014) focused on establishing strategies adopted by public universities in Kenya without considering the dimensions of strategic leadership and private universities. Therefore, there was need for a study to be conducted with a dimensional approach.

Sadeghi and Lope, (2012) carried out a study on the role of academic departments in the success of institutions of higher learning and found that the success of departments depends on effectiveness of their leaders. Though the contribution of these study findings to the strategic leadership theory in institutions of higher learning is notable, there is still need for further study to be conducted in evaluating the role of the senior management in enhancing organizational performance through adoption of strategic leadership in the presence of an ever changing work environment.

Masungo, Marangu, Obunga and Lilungu (2015) carried out a study on the effect of strategic leadership on the performance of devolved government systems in Kenya. The study was found relevant in bridging the gap on strategic leadership dimensions in institutions of higher learning. However, there is need for a study to specifically consider the effect of strategic leadership in the light of organizational change in enhancing performance in institutions of higher learning in Kenya, hence the need for the current study. This raises validity of generalization of findings in the presence of change in developing countries such as Kenya. Therefore, the aims of the present study will be to investigate the effect of strategic leadership on organizational performance in the context of institutions of higher learning in Kenya. Furthermore, it will explore the moderating effects of organizational change in the relationship.

Metwally (2014) studied the influence of leaders on different organizational outcomes such as employees` satisfaction. This study explored the influence of gender differences on leadership styles of Egyptian academics and its impact on subordinates` satisfaction. It was however noted that, to effectively practice transformational leadership there is need for a crucial shift in individuals` values and beliefs. This is one of the hardest things to do because it requires change. Changing values and beliefs to build a calibre of transformational leaders makes change a necessity. This change occurs at two dimensions: organizational (micro) level and country (macro) level and for there to be effectiveness in leadership, this change must be effectively addressed. The present study sought to establish the effect of strategic leadership in the face of organizational change in institutions of higher learning in Kenya.

2.12 Theoretical Framework

The theoretical framework is one of the most important aspects in the research process, and a component that is often minimally covered in doctoral coursework. Grant and Osanloo (2014) describe the struggle to identify and prepare the theoretical framework for the

dissertation as “the most difficult but not impossible part of proposal development. It is important to pay attention to the theoretical underpinning of the study to increase its relevance. The importance of utilizing a theoretical framework in a dissertation study cannot be stressed enough. The theoretical framework is the foundation from which all knowledge is constructed for a research study. It serves as the structure and support for the rationale for the study, the problem statement, the purpose, the significance, and the research questions (Dickson, Emad and Adu-Agyemi, 2018). The theoretical framework provides a grounding base, or an anchor, for the literature review, and most importantly, the methods and analysis. Lysaght (2011) highlighted the necessity of identifying one’s theoretical framework for a dissertation study: A researcher’s choice of framework is not arbitrary but reflects important personal beliefs and understandings about the nature of knowledge, how it exists (in the metaphysical sense) in relation to the observer, and the possible roles to be adopted, and tools to be employed consequently, by the researcher in his/her work.

Without a theoretical framework, the structure and vision for a study is unclear, much like a house that cannot be constructed without a blueprint. By contrast, a research plan that contains a theoretical framework allows the dissertation study to be strong and structured with an organized flow from one chapter to the next (Grant and Osanloo, 2014). Over the past 30 years, there has been an increasing trend to include a theoretical framework in the dissertation. There is an expectation by most chairpersons and committee members that a dissertation study will be informed by theory. Despite these realities, oftentimes students begin the dissertation process at a loss for how to accomplish working with a theoretical framework. Concurrently, incorporating a theoretical framework into research studies is a task that some may continue to struggle with post-graduation. Lester (2005) acknowledged that journal submissions are often rejected for being atheoretical, or having no theory. This underscores the importance of learning to implement a theoretical framework in their research, as it pertains not only to the dissertation, but also to scholarship and research activities in the professorate. A theoretical framework is analogous to a blueprint when building a house to provide the reader with a visual representation of the importance of this step in the development of a dissertation idea (Lysaght, 2011). Metaphorically, a contractor could not possibly know what kind of house to build without instructions mapped out ahead of time. Similarly, one cannot guide a reader through thinking about a dissertation study without a clear explication of the study’s theoretical framework.

The theoretical framework is the "blueprint" for the entire dissertation inquiry. It serves as the guide on which to build and support your study, and also provides the structure to define how you will philosophically, epistemologically, methodologically, and analytically approach the dissertation as a whole. Eisenhart defined a theoretical framework as "a structure that guides research by relying on a formal theory constructed by using an established, coherent explanation of certain phenomena and relationships. Thus, the theoretical framework consists of the selected theory (or theories) that undergirds your thinking with regards to how you understand and plan to research your topic, as well as the concepts and definitions from that theory that are relevant to your topic. Lovitts (2005) empirically defines criteria for applying or developing theory to the dissertation that must be appropriate, logically interpreted, well understood, and align with the question at hand. We assert that students must select and clarify a theoretical framework from the time the dissertation topic is initially conceptualized. Philosophers such as Dooyeweerd have even gone so far as to call for "pretheoretical commitments" by the researcher to specifically identify one's worldview of the heart rather than the mind (Sire, 2004). We profess that the researcher's choice of theory must be clearly stated and explicitly mentioned early in the writing of the dissertation. Mertens acknowledged that the theoretical framework "has implications for every decision made in the research process, which supports our belief that the theoretical framework for a study must be identified at the inception of dissertation work. We also believe that all research is theoretical. The importance of theory-driven thinking and acting should be emphasized in relation to the selection of a topic, development of research questions, focus of the literature review, the design approach, and analysis plan for the dissertation study. Anderson, Day, and McLaughlin (2006) capture the necessity of including a sound theoretical underpinning in a dissertation study with a quote from a dissertation supervisor who stated, "I don't see how you can do a good piece of work that's atheoretical (Grant and Osanloo, 2014). Similarly, Sarter (2005) addressed the "limited usefulness of findings and conclusions" when a study is not justified by a theoretical framework. Evidence across disciplines is clear that the explicit identification and inclusion of a theoretical framework is a necessity of sound research.

Several leadership theories exist that explain the reciprocal relationship between the leader and followers. These theories according to Gibson *et al*. (2009) can be looked at based on leadership trait, behaviour and situational factors, while Mc Shane and Glinow (2000) indicated the leadership theories can be organized into five main perspectives competency (Trait) perspective, Behavioural perspective, Contingency perspective, Transformational

perspective and Implicit leadership perspective. A review of leadership literature reveals evolving series of 'schools of thought' from 'Great Man' and 'Traits' theories through 'Behavioural' theories to 'Strategic' leadership. The study will be based on three foundational theories namely; Path Goal, Upper Echelons and Transformational Leadership theories.

2.12.1 Transformational Leadership Theory

The transformational theory developed by Burns (1978) appeals to developing social values and individual purpose. It is one of, if not the only one with a coherent philosophy underpinning the nature of leadership. The Theory set apart from the rest of the leadership theories asks the most fundamental question of what the ultimate goal of leadership is and why one should be a leader. Not only is Burns transformational leadership theory transcendent in overall scope, but it can be what is necessary if the human species is counting on saving itself from the numerous potential disasters it faces, such as overpopulation, global warming, and systemic economic collapse.

On the other hand, burns transformational leadership theory is idealistic and will not be applicable to populations not wanting or able to go beyond just living as they do and maintaining their own status quo. In this case, burns transformational leadership theory must be coupled with a motivational theory as well as preparing them emotionally and intellectually (Burns, 2003). A major issue with Burns transformational leadership theory is how a transformational leader is to deal with other leaders not so enlightened. According to Feinberg *et al*. (2005), transformational leaders promote and support cooperative decision making. Similarly, Wang, Fang, Qureshi & Janssen (2015) argued that the leaders of an organization should encourage employees to grow and develop, offer emotional support, set high goals, and work to develop employees' capabilities. Gillespie and Mann (2004) also found that the ability of a transformational leader to communicate, and develop followers will help promote trusting relationships between the organization's members. Zhu *et al.* (2005) stated that transformational leadership has been positively linked to organizational performances and that the role of CEOs is vital to a firm's success. The transformational theory is relevant to strategic leadership performance studies as it enlightens the role of a leader and their ultimate goals influencing employees' performance. It also demonstrates effectively how the leader has an influence over organizational performance in institutions of higher learning and therefore adopted as a foundational basis of these study.

2.12.1.1 Application of the Transformational Theory in Social Studies

This is important in the transformation of firms from resource-based-view to knowledge-based-view which extends the importance of organizational learning (Imran, Ilyas, and Aslam, 2016). In the current highly volatile business and research environments, leadership that offers learning opportunities (a key pillar of transformational leadership) has become the source of competitive advantage for dynamic organizations (Liao and Wu, 2010). Indeed organizations that have capacity to learn and transform faster can get sustainable competitive advantage as compared to their rivals. Moreover, organizations that have a clear process regarding their transformational trajectory can address organizational issues such as organizational change, organizational renewal and transformation, innovation and competitive and comparative advantage, more quickly and sustain their position in the industry (Imran, Ilyas and Aslam, 2016; Bierly *et al*., 2000; Goh, Elliot and Quon, 2012). On the other hand, gradual and continuous transformational mechanisms within organization always have positive effects on human resource and market reputation outside the organization (Imran, Ilyas, and Aslam, 2016). The responsibility of transformation lies with leaders who should strategically identify their learning curve and goals. In current organizational context, Transformational Leadership has gathered fame, and mostly, organizations emphasized on transformational leaders to gain the required level of organizational performance (Imran, Muhammad, Usman, Tehreem, 2018; Judge and Piccolo, 2004).

Different scholars have measured the link of Transformational Leadership toward organizational commitment, employee motivation, employee and unit performance, knowledge processes, technology diffusion and culture development (Avolio *et al*., 2004; Gong *et al*., 2009; Jung *et al*., 2003; Liao *et al*., 2008; Zagoršek *et al*., 2009). Organizational performance indicators are the key elements that were involved in every-time research, and researchers have fragmented views about the pros and cons of organizational learning toward these triggers. Bass and Avolio (1993) have suggested that knowledge and learning culture have become the tools to get competitive advantage in a high-tech industry environment and best be attained through Transformational Leadership. Moreover, Transformational Leadership develops intelligence in employees that leads to creativity and learning (Barling *et al*., 2000). Brandi and Elkjaer (2011) worked out that learning is affected through the socialization process that is one of the core themes of Transformational Leadership. Knowledge management process capability has become the source of innovation for

organizations through developing new learning avenues for management and employees of the organizations (Ju *et al*., 2006). The efficient knowledge processes set the basis of learning and development of an organization (Andrews and Delahaye, 2000). There are numerous researches in existing literature that have explored that organizational transformation could have links with knowledge processes, such as creation, conversion and application of knowledge (Cho, 2015; Purushothaman, 2015). Likewise, knowledge-intensive culture plays a vital role to develop knowledge management process capability of an organization (Hauschild *et al*., 2001). The knowledge-intensive culture provides support to leaders for enhancing motivation regarding knowledge flow, more particularly, tacit knowledge flow (Nam Nguyen and Mohamed, 2011). The collaborative learning that is more familiar in knowledge-intensive firms is the result of socialization and supportive culture (Imran, Ilyas, and Aslam, 2016).

2.12.2 Upper Echelons Theory

The Upper Echelons theory by Hambrick and Mason (1984) states that strategic choices and business performance are determined and shaped by the characteristics of dominant actors within an organization, particularly top executives. Such characteristics include age, functional in-depth experience acquired in a particular business area, care.er experience, education socioeconomic status, financial position and team homogeneity/heterogeneity. Such characteristics can be influenced by both internal and external factors. The three central tenets of the Upper Echelon perspective are that strategic choices made in firms are reflections of the values and cognitive bases of powerful actors, the values and cognitive bases of such actors are a function of their observable characteristics like education or work experience, and as a result and significant organizational outcomes will be associated with the observable characteristics of those actors.

These three central tenets frame the Upper Echelon proposition that an organization and its performance will be a reflection of its top managers and provide a basis for studying underlying team dynamics by demographic proxy. In light of the upper echelons model's the definition of the top management team takes centre stage that this group of senior executives should be of interest because the group and its members provide an interface between the firm and its environment, and are relatively powerful, therefore their choices and actions are likely to have an impact on the organization (Carpenter *et al*., (2004).

The attention process is constrained by the limited capacity of humans for information processing at any given time and as a result, our decision to attend to certain elements in the environment is determined by our dispositions and personal tendencies. The revision of the theory by Carpenter *et al*. (2004) adds mediators and moderators of top management team effects such as power, team processes, integration, incentives, and discretion to the model. They also re-conceptualize both strategic choices and firm performance as organizational outcomes. In order to test this theory, management researchers have approached the question of whether top managers influence their organizations in two ways (Oppong, 2014).

First, they assess top executive's demographics and relate them to the metrics of organizational performance. Second, they measure the underlying psychological traits of top executives and determine whether or not they relate to the performance of organizations. However, the majority of the UE research took the 'demographic' approach rather than the 'psychographic' one with a handful of studies assessing both demographic and psychographic variables. Based on the original and revised versions of the theory, it can be suggested that top managers' personal characteristics can directly influence the organizational outcomes (Carpenter *et al*., 2004; Hambrick and Mason, (1984). Empirical studies that followed from Hambrick and Mason's (1984) thinking suggest that indeed the top management team matters to organizational performance. For instance, Bantel and Jackson (1989) and Murray (1989) documented that top management team demographics related to innovation and firm performance respectively. It was therefore considered crucial for organizational scientists and practitioners alike to understand the factors that underpin the cognitions, values, and perceptions of top management teams. Until recently, the distinguishing feature of these studies was that they typically studied top management team demographic variables such as age, functional background, education, tenure, and similar variables in relation to the organizational outcomes (Carpenter *et al*., 2004; Sparrow, 1994).

Proceeded, certain variables were conceptualized as "control variables" or moderators. They included organizational age, size, and environment. In the modified casual model of the upper echelons theory, Carpenter *et al*. (2004) identified these and other factors as affecting the top management sensing-making of their environment and strategic decision-making process. More recently, Nishii, Gotte, and Raver (2007) demonstrated that demographic diversity of senior management related positively with the adoption of diversity practices. Kuchio (2010) noted in a study on the analysis of the role of strategic leadership in strategy implementation in Kenyan universities that strategic leadership is an important role for the top management

team. It was considered relevant to the study because it emphasizes on the core characteristics of top level leader and how these characteristics can impact on organizational performance.

2.12.3 Path-Goal Theory

Path-goal theory, was originally developed by Evans (1970) and later modified by House (1971), was postulated to determine the most frequently used style to motivate subordinates to accomplish goals. The theory states that a leader's behaviour is contingent to the satisfaction, motivation and performance of their subordinates. The revised version also argues that the leader engages in behaviours that complement subordinate's abilities. Path-goal theory is grounded in Vroom's expectancy theory of motivation, which at its core suggests that people are more likely to engage in a specific behaviour if they perceive a high probability that the behaviour will lead to a valued outcome (Vroom, 1964). An effective leader, according to path-goal theory, clarifies employees' paths to work goals and the link between work goals and valued personal outcomes, thus making it explicit what employees need to do. Having a path laid out in front of them that leads to valued personal outcomes for example merit pay, promotion; was posited as a motivator for employees to pursue those outcomes and engage in the desired behaviours.

According to path-goal theory, the extent to which certain leadership styles for instance directive, supportive, participative, and achievement-oriented leadership aided in clarifying employees' paths depended on the employees' personal characteristics and on contextual demands with which employees have to cope. Fiedler (1967) acknowledged that the effectiveness of certain styles can depend on the environment in which they are embedded.

The path-goal theory illustrates the idea that motivation plays an important part in how a supervisor and a subordinate interact and, based on that interaction, the overall success of the subordinate. The path-goal theory, according to House (1971), presents two basic propositions. Firstly, “One of the strategic functions of the leader is to enhance the psychological states of subordinates that result in motivation to perform or in satisfaction with the job" (House, 1971). In other words, leaders need to be cognizant of the necessary steps to clarify goals, paths, and enhance satisfaction through extrinsic rewards, which will in turn increase subordinates’ intrinsic motivation.

Secondly, House asserted that particular situational leader behavior will accomplish the motivational function (Polston-Murdoch, 2013). The path-goal theory recognizes four leadership behaviors to increase subordinates’ motivation. House and Mitchell (1974) based

the four leadership styles on three attitudes exhibited by subordinates; Subordinates' satisfaction, subordinates' expectations of their leaders, and subordinates' expectations of effective performance (Negron, 2008). The four path-goal leadership styles that function to provide structure and/or reward to subordinates are directive, supportive, participative, and achievement oriented (House and Mitchell, 1974). The directive leader clarifies expectations and gives specific guidance to accomplish the desired expectations based on performance standards and organizational rules (House and Mitchell, 1974). The directive style is appropriate with newly hired or inexperienced subordinates and in situations that require immediate action (Negron, 2008). The directive style may be perceived as aggressive, controlling, descriptive, and structured by dictating what needs to be done and how to do it. Research indicates that the directive style is positively related to subordinates' expectations and satisfaction for subordinates who are employed to perform ambiguous, unstructured tasks; however, negatively related to satisfaction and expectations of subordinates who are well-structured and receive clear tasks (Schriesheim and Von-Glinow, 1977; Al-Gattan, 1983).

The supportive leader behaves in a responsive manner thus creating a friendly climate and verbally recognizes subordinates' achievement in a rewarding modus (Dessler, 1974; House and Mitchell, 1974). Supportive leaders demonstrate respect for subordinates, treat everyone equal, and concern for subordinates' well-being (House, 1971). According to Reardon, Reardon, and Rowe (1998), supportive leaders "learn by observing outcomes and how others react to their decisions". The supportive style is suitable when subordinates show a lack of confidence in ability to complete a task and little motivation (Negron, 2008). The participative leader takes on consultative behaviors such as soliciting subordinates for suggestions prior to making a final decision, albeit, they retain final decision authority (House and Mitchell, 1974). The participative leader shares responsibilities with subordinates by involving them in the planning, decision-making, and execution phases (Negron, 2008). Workers who are motivated become self-directed and generate a creative team thereby presenting a greater cohesive team and ownership amongst participants (Hersey, Blanchard, and Johnson, 1996).

The participative style is appropriate when subordinates show a lack of judgment or when procedures have not been followed (Negron, 2008). The achievement-oriented leader "sets challenging goals, expects subordinates to perform at their highest level, continuously seeks improvement in performance and shows a high degree of confidence that the subordinates

will assume responsibility, put forth effort and accomplish challenging goals" (House and Mitchell, 1974). Negron (2008) noted that the achievement-oriented style is suited for unclear tasks and subordinates who may need a morale booster to increase their confidence in ability to accomplish the given goal. Each of the four path-goal styles can be exercised by leaders in any combination with various subordinates and within different organizational environments and situations (House and Mitchell, 1974).

Experienced leaders mold their leadership styles according to the situation (Reardon *et al*., 1998). Subordinates may perceive the same superior as presenting different path-goal leadership styles, which may be influenced by background, personality, characteristics, motivation level, relational bond with supervisor, and many other variables. According to House (1971), path-goal theory is a conceptualization of explicit leader message behavior. Research on the path-goal theory includes dependent variables that are comprised of a range of subordinate outcomes and it assumes behavior is situational, according to House and Mitchell (1974), which is consistent with gender (Schneer, 1985) and communication (Smith, 1984).

Identification occurs when a subordinate admires certain attributes of the supervisor such as attitude, behavior, personality, or accomplishments (Polston-Murdoch, 2013). Subordinates may feel a sense of pride by associating with the supervisor thus loyalty to supervisor. Internalization occurs when the subordinate adopts attitudes and behaviors of the supervisor because of congruent value systems (Polston-Murdoch, 2013). For the purpose of this study, this theory was considered appropriate to examine the link between strategic leadership, organizational change and organizational performance. The theory is relevant to this study as it emphasizes on the relationship between the subordinates' performance and the leaders' behaviour and vice versa. The relationship between the two has an ultimate effect on organizational performance.

2.13 The Conceptual Framework

Building on these arguments and the literature on relationship between strategic leadership, organizational performance in the presence of change the conceptual framework is systematically examined by means of empirical and analytical methods. The purpose of this study is to establish whether effective strategic leadership will result in organizational performance. The view that this is indeed the case is gaining increasing support and is held by Ireland and Hitt (1999), who maintain that being able to exercise strategic leadership in a competitively superior manner facilitates an organization's performance. The interrelationships between the three variables: Strategic leadership (transformational leadership and transactional) as the independent variable, organizational change as moderating variable and organizational performance as the dependent variable is illustrated in Figure 2.1.

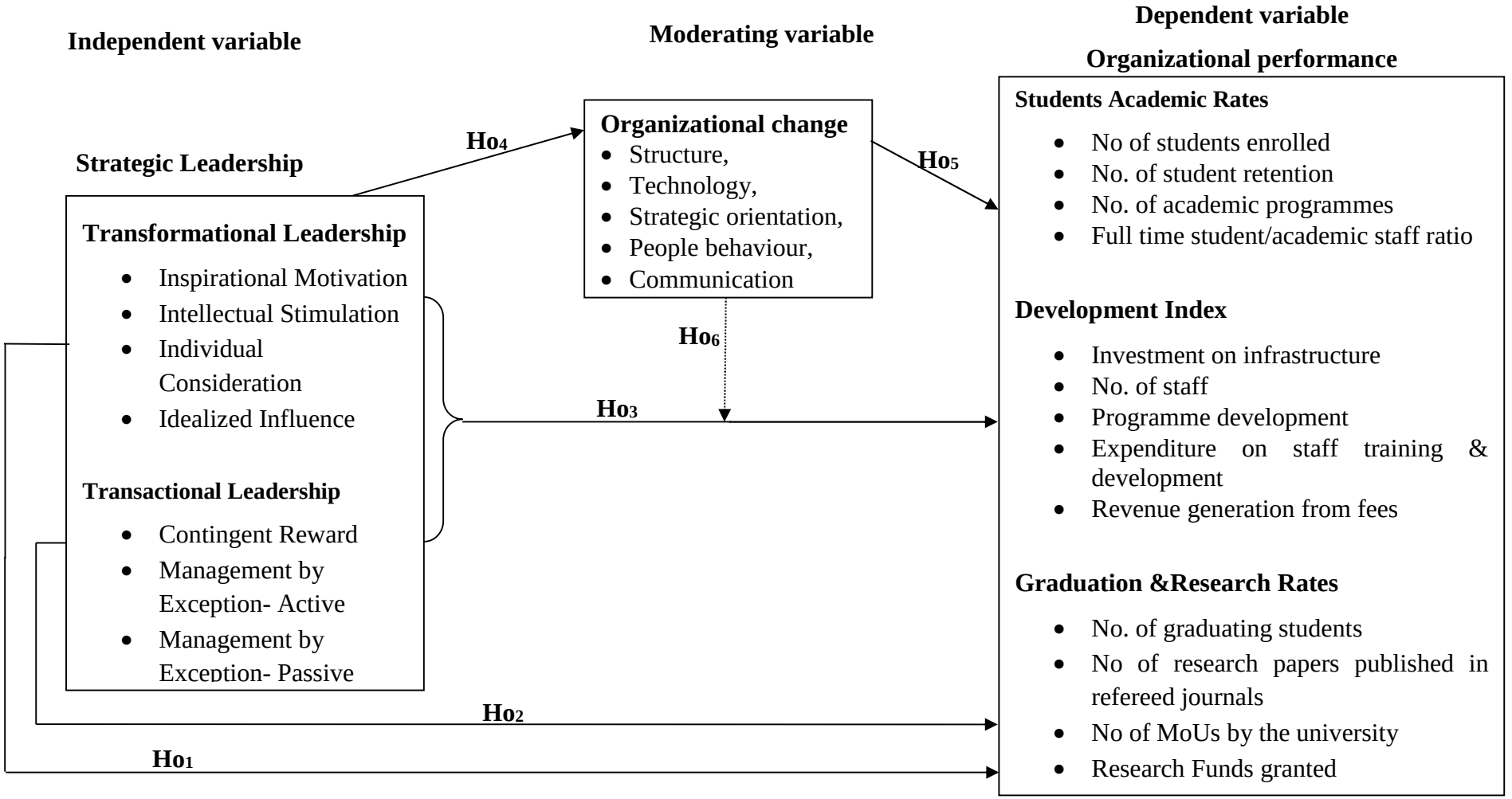

Figure 2.1: The conceptual Framework

Source: Researcher's own conceptualization

The relationship between strategic leadership, organizational change and organizational performance is illustrated in Figure 2.1. The dependent variable is organizational performance while the independent variable is Strategic Leadership which is conceptualized as transformational and transactional leadership. From the Figure it is noted that there is a direct relationship between transformational leadership and organizational performance which is represented by hypothesis one (H1). The second direct relationship is between transactional leadership and organizational performance and this is represented by hypothesis two (H2). The combined effect of the relationship between transformational and transactional leadership and organizational performance is shown by hypothesis (H3) indicating the effect of the two strategic leadership dimensions and the organizational performance of universities in Kenya. The moderator variable of the study is organizational change. Hypothesis four (H4) which shows the relationship between strategic leadership and organizational change. Similarly, the relationship between organizational change and organizational performance is also shown by hypothesis five (H5). The relationship between the moderating effect of organizational change on the direct relationship between strategic leadership and organizational performance is also shown by hypothesis six (H6).

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the research methodology which the study followed in order to prepare for data collection and analysis. The chapter discusses the following areas research philosophy, the research design, target population, data collection instruments, operationalization of the study variables, validity and reliability of the study, data collection procedure, how data was analysed, regression assumptions and finally, outline logical and ethical considerations.

3.2 Location of the Study

The study was carried out in Kenya, one of the countries in Eastern part of Africa. It lies approximately between longitudes 340E and 420E, and between latitudes 40S and 40N as shown in Figure 3.1 below. It borders Tanzania to the South, Ethiopia to the North, Somalia to the East and Uganda to the West. The country has a population of approximately 40 million (KNBS, 2009). Kenya's level of social development is much higher than its neighbours. In terms of the Human Development Index (HDI) computed as an average of a country's adult literacy rate, life expectancy and Gross Domestic Product (GDP) per capita; in other words, encapsulating both social and economic indicators), Kenya was ranked at 148 out of 177 countries in 2010 (compared to Uganda at 154 and Tanzania at 159). Specific country HDI components were as follows: life expectancy was 52.1 years; adult literacy was 73.6%; and combined GER for primary, secondary and tertiary education was 60.6%. Poverty levels for the period were relatively high, as 22.8% population were living below 1 US$ a day while 58.3%; of the population was living below 2 US$ a day. The national poverty line stood at 52%. The high number of low income earners in Kenya is attributed to the low levels of education among other reasons (MHEST, 2005).

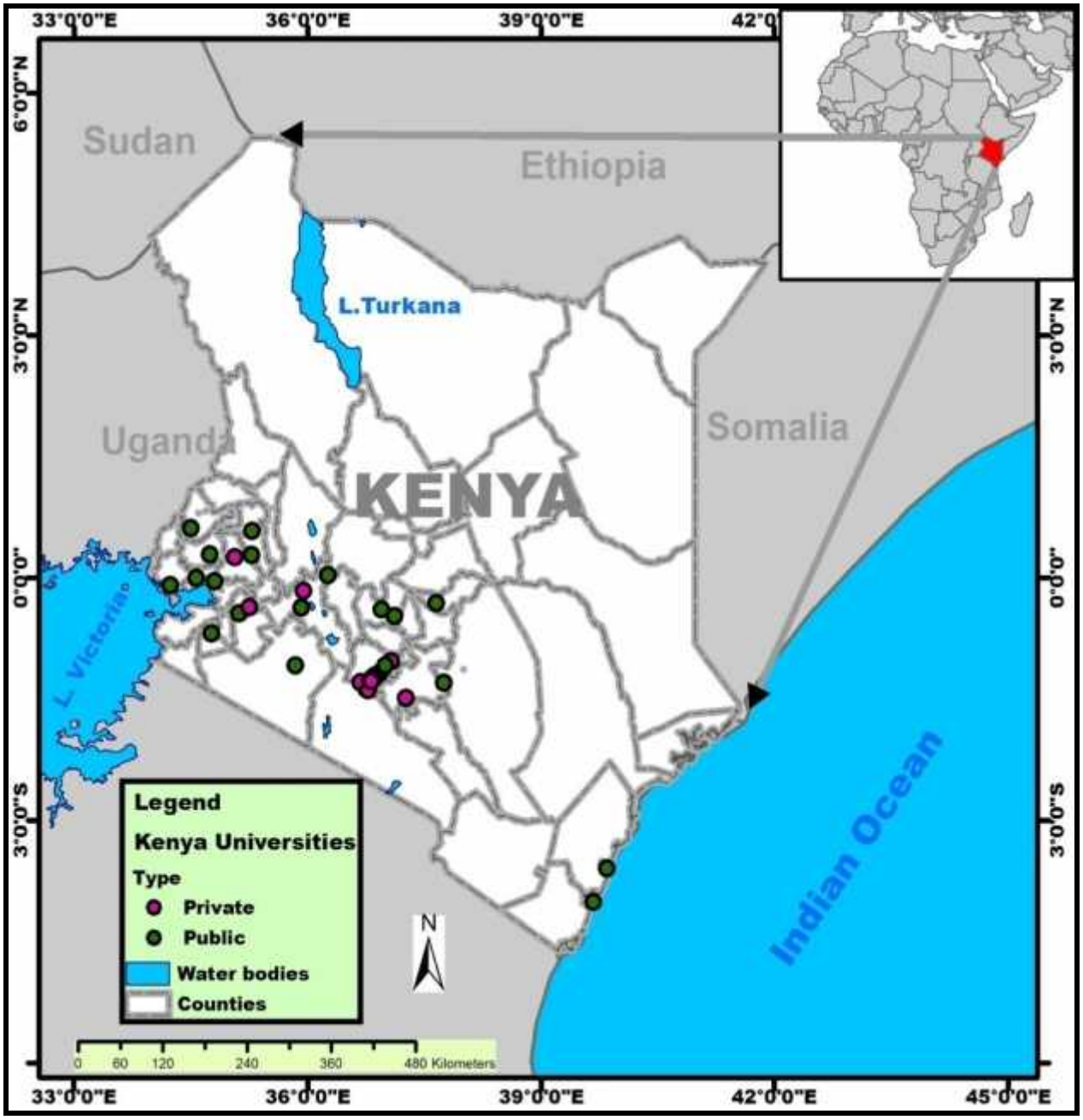

Figure 3.1: The Map of Kenya

Source: Independent Electoral and Boundaries Commission, (2016)

3.3 Research Philosophy

A research philosophy is the foundation of knowledge on which underlying predispositions of any study are based. It constitutes a set of important assumptions about the way the researcher views the world (Saunders, Lewis and Thornhill, 2007). According to Saunders *et al*. (2009) there are three most important philosophical assumptions in research namely; epistemology, ontology and axiology. Epistemology is concerned with acceptable knowledge in the field of study. It has two core philosophies namely positivist and phenomenological (Collins and Hussey, 2009). The current study was framed within the positivist research approach which is quantitative in nature. Its main purpose is to describe and explain a phenomenon and empirically establish the relationships between the study variables. It is an approach under which knowledge is based on verification by way of using clear operational definitions, objectives, hypothesis testing and replicability. They view reality as objective and measurable and therefore, develop hypothesis to show associations and through the observed effects, they are verified or refuted. It further suggests that concepts should be operationalized to enable use of quantitative data to test hypotheses drawn from a theoretical framework. This study therefore, meets these characteristics and as such adopts this approach.

3.4 Research Design

The study involved cross-sectional research design in trying to establish the effect of strategic leadership and organizational change on organizational performance among universities in Kenya. The research design involves conducting a survey of a sample population element or entire population at one point in time (Cooper and Schindler, 2011). This survey design was used because it provides a snapshot of what is going on with the variables of interest for the research problem and the need to generalize the results obtained. The design establishes only associations between variables and it is concerned with conditions or relationships that exist, practices that prevail, processes that are ongoing, and attitudes that are developing (Hopkins, 2000). It also enables researchers to study the elements in their natural environment without necessarily manipulating or controlling them. The design was considered relevant in this study because it is concerned with associations that exist between strategic leadership and organizational performance moderated by organizational change.

3.5 Population of the Study

The study involved a census of all the 48 chartered universities in Kenya. There were a total of forty-eight chartered universities in Kenya as at March, 2017 as indicated in Appendix III (CUE, 2017). Out of the 48 chartered universities, 30 were public while 18 were private. Chartered universities were preferred as they have well defined structures, offer their own degree programmes, have a legal mandate to operate, their leadership structures are similar and are likely to exhibit elaborate relationships between the study variables. The choice of senior management was guided by the fact that they are directly involved in the decision making process at the university. Senior management in this study comprised 48 Vice Chancellors and 152 Deputy Vice Chancellors (from the 48 universities).

The respondents of the main study were the Vice Chancellors and Deputy Vice Chancellors from the chartered universities in Kenya. From the 27 public and 16 private universities, a total of 146 respondents (43 Vice Chancellors and 103 deputy vice chancellors) were targeted and the rest were involved in the pilot study. Mathooko and Ogutu (2013) suggested the use of all Vice-Chancellors (VCs) and Deputy Vice-chancellors (DVCs) for studies involving management issues such as leadership, strategy and change. This was guided by the fact that they are the ones who carry out the various managerial functions, develop strategic goals of the universities experience challenges posed by the changing environment and define the type of leadership that will suit the changing environment. This therefore adopted a similar perspective to carry out the proposed study in Kenyan universities.

3.6 Data Collection Instrument

The study used a structured questionnaire to collect primary data. The questionnaire was considered the most appropriate research tool for this study as it allows the researcher to collect information from a large sample which is diverse and geographically dispersed (Mugenda and Mugenda, 2003). The study adopted Bass *et al*. (1985) Multifactor Leadership Questionnaire (MLQ) scale items related to strategic leadership but modified to suit the purpose of the study. The questionnaire consisted of four sections as follow: Section One contained items on the respondents' bio data; Section Two contained items on Strategic leadership consisting of transformational and transactional leadership; Section Three contained items on organizational change and Section Four consisting of items on Organizational Performance. Secondary data collected supplemented primary data on issues of organizational performance such as student enrolment, graduation rates among others.

Machuki (2011) asserted that the Likert scale has been used in most fields of scholarly and business research and particularly where the value sought is a belief, opinion, or effect, if it cannot be asked directly and with precision and if it is considered to be of a sensitive nature such that respondents can only answer categorically in large ranges. The Likert-type scale indicated the extent to which individual questions or statements (items) were operationalized to reflect the intended variables and enable respondents to provide quantifiable information. In this study, Sections Two (Strategic Leadership) and Three (Organizational Change) was measured on a 5 point Likert Scale where 1 = Not At All; 2 = To A Small Extent; 3 = Moderate Extent; 4 = Great Extent; and 5= Very Great Extent. Section Four (Organizational Performance) was measured on a 5 point Likert Scale where 1 = Very Much Decreased; 2 = Decreased; 3 = Constant; 4 = Increased; and 5= Very Much Increased.

3.7 Operationalization of the Study Variables

In this study, the preliminary variables appear on the questionnaire between numbers 1-6 in Section One. The main variables were operationalized and were measured using relevant indicators. Strategic leadership was conceptualized to consist of two constructs namely; transformational and transactional. Transformational is a leadership style which motivates and empowers followers to work for transcendental goals. The operational indicators included attributed charisma, idealized influence, inspirational motivation, intellectual stimulation in terms of knowledge transfer, individual consideration in form of training and coaching. These indicators appeared on the questionnaire between numbers 7-28 in section Two. Transactional Leadership on the other hand, is a leadership style where leaders use incentives to motivate employees to perform their best. This was covered by question items 29-46. Its dimensions included contingent reward, active management by exception and passive management by exception.

Organizational change is the moderating variable which was operationalized as structure, technology, strategic orientation, people behaviour and communication. All these indicators appeared on the questionnaire between numbers 47-71 in Section Three. Organizational performance as a dependent variable was measured using the input-process-output-outcome model. The indicators included the number of students enrolled, number of graduating students, amount of investment in infrastructure, number of professors, number of research papers published in refereed journals, value of Grants and expenditure on staff trainings and development as highlighted in Table 3.1. These were covered on the questionnaire under question items 72-85 in section four. A summary is obtained in Table 3.1.

Table 3.1: Measurement of the Variables

Research Variable	Indicators	Measurement	Literature/Source
Transformational leadership	-Inspirational Motivation -Intellectual Stimulation -Individual Consideration -Idealized Influence	ordinal data Five point Likert type scale where "1= Not at all to 5 = Always"	Avolio, Bass and Jung (1997)
Transactional leadership	-Contingent Reward -Active Management by Exception -Passive Management by Exception	ordinal data Five point Likert type scale where "1= Not at all to 5 = Always" Primary	Bass, (1998)
Organizational change	- Structure - Technology - Strategic orientation - People behaviour	Ordinal data Five point Likert type scale where "1= Not at all 5 = Very great extent	Larsen, (2003), Cohen & Bailey (2007); Kong'a (2014); Xu, Lahaney, Clarkeand Duan, (2003)
Organizational performance	-Student academic rates -Development indes -Graduation and research rates	ordinal data Five point Likert type scale where "1= Very Much Decreased to 5 = Very Much Increased"	Ruben (1999)

3.8 Validity and Reliability of the Study

Validity is the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda and Mugenda, 1999). In other words, validity is the degree to which results obtained from the data analysis actually represents the phenomena under study. Borg and Gall (2003) as well defines validity as the degree to which a test measures what it purports to measure. In this case the questionnaire was tested for validity after a pilot study was conducted.

In this study, the researcher sought expert judgement by discussing the items in the instrument (questionnaire) with the supervisors so as to improve content validity of the instrument. Further, a pilot study was carried out to enhance the validity of the questionnaire.

Pilot testing is a small-scale trial, where a few top managers filled the questionnaire and were requested to point out any problems with the test instructions, instances where items are not clear or difficult to understand and identify formatting and other typographical errors and/or issues (Pulakos, 2004). The pilot study was carried out in three (3) public chartered universities namely; Rongo University, Pwani University, and Multi Media University of Kenya and two (2) private chartered Universities namely; University of Eastern Africa Baraton and Great Lakes University of Kisumu to test the validity of the instrument. The Universities selected for the pilot study did not form part of the main study.

Reliability refers to the extent to which a result instrument produces the same results on repeated trials (Bolarinwa, 2015). It is the stability or consistency of scores over time or across rates. Cronbach internal consistency reliability method was used to determine the reliability index of the questionnaires. Studies have shown that for an instrument to be considered reliable, it should attain at least a reliability coefficient of 0.7 and above (Sekaran, 2003; Kothari, 2005; Hair, Anderson, Tatham and Black, 1998). Data from the pilot study was used to analyse Cronbach alpha reliability coefficient using SPSS and thereafter the questionnaire was edited prior to the main study. The reliability coefficient for the pilot study was 0.905 which showed that the data collection instrument was reliable. The results of the Cronbach alpha of the main study are presented in Table 3.2.

Table 3.2: Reliability analysis for the main study

Variables	No. of items	Final Cronbach Alpha Coefficient (α)
Transformational leadership		
Idealised influence (Attitude)	6	0.823
Idealised influence (Behaviour)	4	0.760
Inspirational Motivation	4	0.796
Intellectual stimulation	4	0.755
Individualised consideration	4	0.729
Transactional leadership		
Contingent rewards	6	0.745
Management By Exception - Active	6	0.683
Management By Exception - Passive	6	0.747
Total leadership styles	**40**	**0.843**
Structure	7	0.785
Strategic Orientation	4	0.847
Technology	6	0.897
People Behaviour	5	0.795
Organizational Communication	4	0.858
Total Organizational Change	**26**	**0.848**
Organizational Performance	**20**	**0.908**
All questionnaire items	**86**	**0.905**

From the results in Table 3.2, all research items had alpha coefficients of above 0.7, with the exception of management by exception (active) under transactional leadership which was slightly low (α = 0.683). Some studies have suggested that Cronbach alpha value of 0.60 is acceptable for exploratory studies or for studies in social sciences (Hair *et al*., 1998; Maizura, Masilamani and Aris, 2009). The overall Cronbach Alpha coefficient for all the study items was α = 0.905. Hence, the instrument met the recommended threshold reliability coefficient of 0.7 and above (Sekaran, 2003; Kothari, 2005; Hair *et al*., 1998).

3.9 Data Collection Procedure

The researcher obtained an introduction letter from the post graduate school at Egerton University in order to apply for a research permit from National Commission of Science, Technology and Innovation (NACOSTI). A letter to the respective institutions seeking

authority to conduct research was delivered and upon approval, questionnaires were dropped for the top management to respond within the shortest time possible and were picked on or at a later time.

3.10 Data Analysis

Data processing was carried out through various steps which included: data editing, coding, classification, tabulation and finally presentation. The data gathered was organized and processed using SPSS Version 24. Both descriptive and inferential statistics were used to analyze the data. The Likert scale responses were ordered and quantified. The variables, strategic leadership, and organizational change were measured using several quantities which were transformed to obtain quantitative discrete data for each of these variables (composite scores). The dependent variable organizational performance was measured using several individual elements highlighted in Appendix II which were ordered from 1-5 and an equivalent weight assigned to each order to obtain a quantitative discrete variable that is analysable in Ordinary Least Squares (OLS). This transformation applied to the variables used in the analyses since they were all initially in nominal terms.

The transformed data was then subjected to descriptive statistics that is, the mean for central tendency and standard deviation for variability and presented in tables and charts. The study used pearson's correlation analysis, multiple regression analysis and hierarchical regression analysis. pearson's correlation analysis (r) was used to determine the strength and direction of the relationships among the study variables. Simple and multiple regression analyses were used to test the hypothesized relationships and make generalization of the findings to the population. Hierarchical regression analysis was used to evaluate the moderating effect of organizational change on the relationship between strategic leadership and organizational performance.

The first hypothesis which stated that, transformational leadership does not have a statistically significant effect on organizational performance in Kenyan universities was analysed using simple and multiple regression analysis. The dimensions of transformational leadership were regressed against organizational performance. The composite scores were computed by taking the average scores of the factors.

$$Y = \ _0 + \ _1X_1 + \ _2X_2 + \ _3X_3 + \ _4X_4 + £ \quad \text{.....3.4}$$

Y = Organizational performance

β_0= intercept or constant

β_1 and $\beta 4$= regression coefficients or slope of the regression line

X_1= Inspirational motivation

X_2 = Intellectual Stimulation

X_3 = Individual Consideration

X_4 = Idealized Influence

ε= Regression error term (unobserved factors)

$_1 - _4$ Slopes coefficients representing the influences of the association of independent and the dependent Variable. The results were interpreted based on the value of the regression coefficient and the R-squared. The independent variable was said to have a significant effect on the dependent variable if it has a p-value of ($p<0.05$) while R^2 showed the magnitude of the effect. This interpretation is applicable is applicable to all the coefficients of the other objectives

The second hypothesis stated that transactional leadership does not have a statistically significant effect on organizational performance in Kenyan universities. The dimensions of transactional leadership were regressed against organizational performance using simple and multiple regression analysis.

$Y = {}_0 + {}_1X_1 + {}_2X_2 + {}_3X_3 + £$. 3.5

Y = Organizational performance

β_0= intercept or constant

β_1 and $\beta 4$= regression coefficients or slope of the regression line

X_1= Contingent reward

X_2 = Active management by Exception

X_3 = Passive Management by Exception

ε= Regression error term

$_1 - _3$ Slopes coefficients representing the influences of the association of independent and the dependent Variable.

The third hypothesis stated that, the combined effect of strategic leadership (transformational and transactional leadership) did not have statistically significant effects on organizational performance in Kenyan universities. This hypothesis used multiple regression analysis to regress the dimensions of transformational and transactional leadership on organizational performance.

$$Y = \ _0 + \ _1X_1 + \ _2X_2 + \ _3X_3 + \ _4X_4 + \ _5X_5 + \ _6X_6 + \ _7X_7 + £ \ldots\ldots\ldots\ldots 3.6$$

Y = Organizational performance

β_0= intercept or constant

β_1 and β= regression coefficients or slope of the regression line

X_1= Contingent reward

X_2 = Active management by Exception

X_3 = Passive Management by Exception

X_4= Inspirational motivation

X_5 = Intellectual Stimulation

X_6 = Individual Consideration

X_7 = Idealized Influence

ε= Regression error term

$_1 - \ _7$ Slopes coefficients representing the influences of the association of independent and the dependent Variable

The fourth hypothesis which stated that, strategic leadership does not have a statistically significant effect on organizational change in Kenyan universities was analysed using simple and multiple regression analysis. A multiple regression model was used to regress strategic leadership against organizational change. The composite scores were computed by taking the average scores of the factors.

$$Y = \ _0 + \ _1X_1 + \ _2X_2 + \ _3X_3 + \ _4X_4 + \ _5X_5 + \ _6X_6 + \ _7X_7 + £ \ldots\ldots\ldots\ldots\ldots 3.7$$

Y = Organizational Change

β_0= intercept or constant

β_1 and β= regression coefficients or slope of the regression line

X_1= Contingent reward

X_2 = Active management by Exception

X_3 = Passive Management by Exception

X_4= Inspirational motivation

X_5 = Intellectual Stimulation

X_6 = Individual Consideration

X_7 = Idealized Influence

ε= Regression error term

$_1 - _7$ Slopes coefficients representing the influences of the association of independent and the dependent Variable.

The fifth hypothesis which stated that organizational change does not have statistically significant effect on organizational performance in Kenyan universities was analysed using simple and multiple regression analysis.

$$Y = {}_0 + {}_1X_1 + {}_2X_2 + {}_3X_3 + {}_4X_4 + £ \quad \text{.....3.8}$$

Y = Organizational performance

β_0= intercept or constant

β_1 and $\beta 4$= regression coefficients or slope of the regression line

X_1= People behaviour

X_2 = Technology

X_3 = Strategic orientation

X_4 = Structure

ε= Regression error term

$_1 - _4$ Slopes coefficients representing the influences of the association of independent and the dependent Variable.

The sixth hypothesis stated that organizational change does not have statistically significant moderating effect on the relationship between strategic leadership and organizational performance. Hierarchical regression analysis was used. The regression was done by adding a moderator variable to the model so as to establish its effect on the R squared (Wong 2004).

The composite scores from organizational change, strategic leadership and organizational change were computed by adding scores from all the items measuring the respective variable and dividing the total score by the total number of items.

$Y = {}_0 + {}_1 X + £$ 3.9

$Y = {}_0 + {}_1 X + {}_2 Z + £$ 3.10

$Y = {}_0 + {}_1 X + {}_2 Z + {}_3 XZ + £$ 3.11

Y = Dependent Variable (Organizational performance)

β_0= intercept or constant

β_1 and β= regression coefficients or slope of the regression line

X= Independent Variable (Strategic Leadership)

Z= Moderating variable (Organizational change)

XZ= cross product of the independent variable and moderator (interaction term).

Table 3.3: Summary of Hypotheses, Research Instruments, Analysis Techniques and Interpretation

Research Objective	Research hypothesis	Data analysis techniques	Interpretation
Determine the effect of transformational leadership on organizational performance in Kenyan universities	Transformational leadership style does not have a statistically significant effect on organizational performance in Kenyan universities.	Simple Regression Analysis Multiple regression analysis	$p<0.05$ statistically significant (95% level of confidence) R2 the magnitude of the effect
Determine the effect of transactional leadership on organizational performance in Kenyan universities	Transactional leadership style does not have a statistically significant effect on organizational performance in Kenyan universities.	Simple Regression Analysis Multiple regression analysis	$p<0.05$ statistically significant (95% level of confidence) R2 the magnitude of the effect
Determine the combined effect of transformational and transactional leadership on organizational performance in Kenyan universities	Combined effects of transformational and transactional leadership have no statistically significant effect on organizational performance in Kenyan universities.	Simple Regression Analysis Multiple regression analysis	$p<0.05$ statistically significant (95% level of confidence) R2 the magnitude of the effect
Determine the effect of Strategic leadership on organizational change in Kenyan universities	Strategic leadership does not have statistically significant effect on organizational change in Kenyan universities	Multiple regression analysis	$p<0.05$ statistically significant (95% level of confidence) R2 the magnitude of the effect

Determine the influence of Organizational change on organizational performance in Kenyan universities	Organizational change does not have statistically significant influence on organizational performance in Kenyan universities	Simple Regression Analysis Multiple regression analysis	p<0.05 statistically significant (95% level of confidence) R2 the magnitude of the effect
Determine the moderating effect of organizational change in the relationship between strategic leadership and organizational performance in Kenyan universities	Organizational change does not statistically significant moderating effects on the relationship between strategic leadership and organizational performance in Kenyan universities	Hierarchical regression Model	p<0.05 statistically significant (95% level of confidence) R2 the magnitude of the effect

3.12 Test for Multicollinearity

To ensure that the study data was suitable for regression analysis, test for multicollinearity was carried out. Multicollinearity occurs when two or more independent variables are highly correlated. Some studies have suggested that multicollinearity can be ruled out when the correlation coefficients are not in excess of 0.75 (Hair *et al.*, 1998; Tabachnick and Fidell, 1989; Pallant, 2005) while others suggest that it should not exceed 0.80 (Bryman and Cramer, 2006). In this study, Pearson Correlation analysis and Variance Inflation Factor was used to determine multicollinearity. Pearsons Correlation analysis was carried out separately for strategic leadership and organizational change to test for multicollinearity.

Thus, the null hypothesis which states that organizational change has no statistically significant moderating influence on the relationship between strategic leadership and organizational performance in Kenyan universities is rejected and the alternative hypothesis is accepted. The impact of organizational change cannot therefore be discounted while seeking to enhance performance of public universities. Leaders in Kenyan universities need to incorporate significant organizational changes with regards to technology, organizational Structure, strategic orientation, technology, people behaviour and organizational

communication in their leadership. A further analysis of the moderating effect of organizational change on the relationship between the individual dimensions of transformational and transactional leadership and organizational performance was done and results presented.

3.12.1 Strategic leadership and organizational change

In this study the highest correlation coefficient is r = 0.679, p=0.000 which is between transformational leadership (Idealised Influence-Attitudes) and transformational leadership (Inspirational Motivation) which rules out multicollinearity. The results for the correlation coefficients under strategic leadership are presented in Table 3.4.

Table 3.4: Summary of Hypotheses, Research Instruments, Analysis Techniques and Pearson's Correlation analysis establishing relationships among the dimensions of strategic leadership

	TL (IIA)	**TL (IIB)**	**TL (IM)**	**TL (IS)**	**TL (IC)**	**TL (CR)**	**TL (MBEA)**	**TL (MBEP)**
TL (IIA)	1	.564**	**.679****	.585**	.532**	.532**	-.148	-.201*
TL (IIB)	.564**	1	.585**	.536**	.591**	.591**	.030	-.186*
TL (IM)	**.679****	.585**	1	.578**	.593**	.593**	-.072	-.220*
TL (IS)	.585**	.536**	.578**	1	.641**	.641**	.072	-.233**
TL (IC)	.532**	.591**	.593**	.641**	1	1.000**	.058	-.094
TL (CR)	.532**	.591**	.593**	.641**	1.000**	1	.058	-.094
TL (MBEA)	-.148	.030	-.072	.072	.058	.058	1	.344**
TL (MBEP)	-.201*	-.186*	-.220*	-.233**	-.094	-.094	.344**	1

Note: **. Indicates correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed). TL: Transactional Leadership, IIA: Idealised Influence – Attitudes, IIB: Idealised Influence-Behaviour, IM: Inspirational Motivation, IS: Intellectual Stimulation, CR: Contingent Reward, MBEA: Management by, Exception – Active, MBEP: Management by Exception – Passive.

3.12.2 Organizational change

In this study the highest correlation coefficient is between people behaviour and technology (r = 0.694, p = 0.000) which rules out multicollinearity. The results for correlation coefficients for organizational change are presented in Table 3.5.

Table 3.5: Pearson's Correlation analysis establishing relationships among the dimensions of organizational change

	Structure	Strategic Orientation	Technology	People Behaviour	Organizational Communication
Structure	1	.599**	.589**	.587**	.620**
Strategic Orientation	.599**	1	.657**	.575**	.659**
Technology	.589**	.657**	1	**.694****	.633**
People Behaviour	.587**	.575**	**.694****	1	.720**
Organizational Communication	.620**	.659**	.633**	.720**	1

**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

3.12.3 Multicollinearity testing using Variance Inflation Factor

Further test of multicollinearity was done using variance inflation factor (VIF) a regression diagnostic test which was calculated using SPSS. Studies have shown that VIF value that is above 10 is a sign of multicollinearity (Hair *et al.*, 1998; Pallant, 2005). The results of this study revealed that VIF values ranged from 1.2 to below 2.8 which is much lower than the recommended cut-off threshold of 10 thus suggesting the absence of multicollinearity. Table 3.6 below presents the results of the variance inflation factors.

Table 3.6: Results of Variance Inflation Factor testing on the relationship between the dimensions of strategic leadership, organizational change with organizational performance

	Collinearity Statistics	
Variables	Tolerance	VIF
strategic leadership dimensions		
Transformational Leadership (Idealised Influence - Attitudes)	.438	2.284
Transformational Leadership (Idealised Influence - Behaviour)	.514	1.946
Transformational Leadership (Inspirational Motivation)	.432	2.315
Transformational Leadership (Intellectual Stimulation)	.453	2.207
Transactional Leadership (Contingent Reward)	.457	2.187
Transactional Leadership (Management By Exception - Active)	.802	1.246
Transactional Leadership (Management By Exception - Passive)	.786	1.272
Organizational change dimensions		
Structure	.528	1.895
Strategic Orientation	.440	2.274
Technology	.418	2.392
People Behaviour	.392	2.553
Organizational Communication	.365	2.740

3.13 Ethical Consideration

The main ethical consideration was to safeguard confidentiality and anonymity of top management during data collection. This was necessary because it encouraged the top management to be honest. No respondent was forced to take part in the study. Owing to the sensitive nature of the data requested, total anonymity and confidentiality was guaranteed to the top management. A study permit was obtained from the National Council for Science and Technology and a research authorization letter was issued as per Appendix V and VI respectively. Ethical clearance approval was sought as shown in Appendix VII. Authority to visit the respective institutions and offices was sought and authorization was provided for the respective universities as per Appendix I and VIII respectively.

CHAPTER FOUR
RESULTS AND DISCUSSIONS

4.1 Introduction

The main objective of this study was to contribute to improved performance of universities in Kenya by investigating the influence of strategic leadership and organizational change on organizational performance. This chapter thus presents the profiles of the study respondents, descriptive and inferential statistics, tests of hypotheses, discussion and summary of results of the study.

4.2 Response Rate

The study targeted 146 VCs and DVCs from 43 chartered universities in Kenya. The data collection period was nine months between December 2017 and August 2018 and yielded a return rate of 124 questionnaires from 33 universities. This represented 84.93% response rate in terms of the respondents (Vice Chancellors and Deputy Vice Chancellors) and 76.7% response on the basis of universities that were targeted and responded. The data collection exercise was however marred with delays by the respondents most of whom their institutions were involved in industrial action between January 2018 to March 2018. The lecturers' strike also contributed to the difficulty in achieving 100% response rate as most of the respondents in the public universities were regularly involved in long meetings aimed towards resolving the industrial action which prolonged for over three months. On this note, Mugenda and Mugenda (2009) reported that a 50% response rate is adequate, 60% good and above 70% rates as very good. Thus response rates of 85% and 77% for this study were excellent. The high response rate can be attributed to procedures in data collection, comprehensiveness of data collection tool which was achieved through pilot-test, time given to the respondents to fill-in the questionnaires was sufficient and availability of the researcher to clarify any arising issue in the questionnaires. In general, the research assistants and the researcher had also enough time to prepare for the whole process beginning with training, administration, collection and analysis.

4.3. Descriptive Analysis of the Demographic Characteristics of the respondents

This section presents a description of the demographic characteristics discussed in Table 4.1:

Table 4.1: Descriptive Statistics

Variable	Description	Frequency	Percentage
Gender	Female	33	26.6
	Male	91	73.4
Age category	40-49	14	11.3
	50-59	49	39.5
	60 years and above	61	49.2
Marital status	Single	3	3.0
	Married	115	92.7
	Divorced/separated/widowed	4	3.2
Position held	Vice Chancellor	32	26.6
	Deputy Vice Chancellor	92	73.4
Years of university service	Below 5	6	4.8
	5-10	11	8.9
	11-15	29	23.4
	16 years and above	78	62.9
Years worked in the current position	Below 1 year	23	18.5
	1-5	77	62.1
	6-10	22	17.7
	11 years and above	2	1.6
University Sector	Public	80	64.5%
	Private	44	35.5%

Results in Table 4.1 indicate that the gender distribution of the respondents is 26.6% females and 73.4% males for the DVCs and VCs respectively in the public and private chartered universities covered. Further cross-tabulation between gender and management position, showed that among the Vice Chancellors, there were 27 males (84.4%) and 5 females (15.6%) while among the DVCs, there were 64 males (69.6%) and 28 females (30.4%). This ratio portrays grim status in the universities that fails to meet the minimum two thirds gender

ratio required by the Kenyan constitution. These results are supported by Kaimenyi *et al*. (2013) who acknowledged the existence of gender disparity in public institutions. The findings of the study concur with a study by Thornton (2016) who reported that underrepresentation of women in senior leadership positions was a worldwide phenomenon. This implies that underrepresentation of women in top university management was not specific to Kenyan chartered universities.

The results of age distribution of the respondents revealed that majority of them (49.2%) were aged above 60 years as presented in Table 4.1. Only 11.3% were aged between 40 and 49. University management is a critical role that requires a lot of wisdom which definitely comes with age (Lim and Yu, 2015). Majority of the respondents' (Vice Chancellors and Deputy Vice Chancellors) assume the office by rising through various administrative ranks over the years. This hierarchical rise and growth in leadership perhaps explains why majority of the respondents who were either VCs or DVCs were aged above 60 years.

The results for marital status presented in Table 4.1 indicate that a total of 92.7% of the respondents were married with only 3% being single while another 3.2% of them being either divorced, separated or widowed.

The results for the management position of the respondents in the university indicate that majority of the respondents were DVCs which is expected since a university would typically have one VC and several DVCs. In this case, 25.8% of the respondents were VCs while 74.2% of them were DVCs. This further shows that every university had one VC and was served by an average of three DVCs.

Results of the years of working in the university presented in Table 4.1 indicate that majority (62.9%) of the respondents had worked for more than 16 years in the institutions of higher learning. This portrays the much needed experience required to run the offices. Only 4.8% of the respondents had less than 5 years of working experience. These statistics imply that majority of the respondents had been in their current universities for more than 16 years. Therefore it can be inferred that majority of the respondents have sufficient knowledge about the strategic practices and performance of their universities which was used in this study.

Compared to the number of years served in their current position, 62.1% of the interviewed respondents had served in their current capacity for between 1 and 5 years. Only two (2) respondents (1.6%) had served 11 years and above in their current capacities while 23

(18.5%) of the respondents had served below one (1) year in their current positions at the helm of the universities. Nadkarni and Herrmann (2010) observed that CEOs with shorter tenures are likely to foster greater strategic flexibility than CEOs with longer tenures. This is confirmed with the findings of this study which found out the majority (80.6%) of the respondents to have been in the current position for five (5) years and below.

The results for response by university sector indicated that 80 (64.5%) of the respondents were from public universities while 44 (35.5%) of the respondents were from private universities. This indicates that high response rate was from public universities since their participation ratios were not the same.

4.4 Descriptive Statistics for Strategic Leadership

This section presents the results of descriptive statistics of responses on strategic leadership styles which consist of transformational and transactional leadership styles.

4.4.1 Transformational Leadership

The descriptive statistics of the dimensions of transformational leadership are presented in Table 4.2.

4.4.1.1 Idealized influence (Attitude)

The results for idealised influence-attitude are presented in Table 4.2.

Table 4.2: Results of Descriptive Statistics of Responses on Transformational Leadership (Idealized Influence - Attitude)

Variable	N	Min	Max	Mean	Std. Dev.
Goes beyond self-interest for the good of the university	124	1.00	5.00	4.589	0.675
Talks optimistically about the future	124	2.00	5.00	4.565	0.615
Talks about the most important values and beliefs	124	3.00	5.00	4.556	0.629
Acts in ways that builds other's respect for them	124	2.00	5.00	4.492	0.605
Seeks differing perspectives when solving problems	124	2.00	5.00	4.403	0.697
Instils pride in others for being associated with them	124	2.00	5.00	4.363	0.691
Overall Mean				**4.494**	**0.093**

Note: mean of 1=not at all, 2=rarely, 3=sometimes, 4=most of the time and 5=always

The overall mean scores for the items under transformational leadership is 4.494 suggesting that the respondents agreed that respondents of universities exhibited traits of transformational leadership (idealized influence). The mean scores suggest that majority of the agreed that they went beyond self-interest for the good of the university with a mean of (M=4.59), talks optimistically about the future (M=4.57), talks about important values and beliefs (M=4.56), acts in a way that build others' respect for them (M=4.49), seeks differing perspectives when solving problems (M=4.40) and instils pride in others for being associated with them (M=4.36) Thus, most of the respondents indicated that they practiced transformational leadership style as they often went beyond their comfort to serve the interest of the institution. They were optimistic, instilled important values among their followers, had respect to others and talked about most important values and beliefs of the institutions. Wahab *et al.* (2016) while analysing the effect of transformational leadership on organizational performance noted that this aspect of the leadership is very important and that management should always pay more attention to it to achieve a better performance.

This finding is in line with those of a study by Owino, Oanda and Olel (2011) who noted that Higher education in Kenya, as in most African countries is a comparatively recent phenomenon dating just a few decades but which has undergone tremendous developments, challenges and even drawbacks putting institutional leadership and management into sharp focus. The results also agreed with the findings of Mwiria, Ngethe, Ngome, Ouma-Odero, Wawire and Wesonga (2007) who also noted that in recent years, the higher education sector in Kenya has experienced significant transformations arising from rapid expansion of the sector, increasing societal demands, changes in role of government especially in funding and governance, and policy reforms, among others. This calls for a transformational leadership style that takes note of the transformations that have taken place among the universities.

4.4.1.2 Idealized Influence (Behaviour)

The overall mean of the responses of idealised influence-behaviour was (M=4.49). The mean responses of idealized influence–behaviour are presented in Table 4.3. The mean scores indicated that the respondents considered the moral and ethical consequences of their decisions most of the time (M=4.52), emphasized the importance of having a collective sense of mission (M=4.48), emphasized the importance of having a strong sense of purpose (M=4.48) and talked about the most important values and beliefs of the university (M=4.48). This suggests that most of the respondents were firmly in control of behaviour of the

university staff since they were able to instil values of moral and ethical standards, sense of mission and purpose and values and beliefs. Militaru (2012) analysed the potential performance implications of transformational leadership to improve the university performance by creativity, knowledge, and innovation. Ideally the author recorded that the average scale reflected academic staffs' perceptions of transformational leadership in the university and was above 4.0. Thus the indication was that the university management had instilled behaviour in the organization that portrayed elements of idealized influence-behaviour. Thus the indication was that the university management had instilled behaviour in the organization that portrayed elements of idealized influence-behaviour. Similarly, the study concurs with the findings of Oanda, 2013, Ouma, 2007; Jowi, 2009) who also noted that amid the changes, the sector continues to face emergent challenges including funding constraints, weak institutional capacities in different fields, growing quality concerns, escalating student numbers amid dwindling resources, brain drain, weak institutional autonomy, student's strife and of course challenges of institutional leadership among others.

Table 4.3: Results of Descriptive Statistics of Responses on Transformational Leadership (Idealized Influence - Behaviour)

Variable	N	Mini	Max	Mean	Std. Dev.
Consider the moral and ethical consequences of decisions	124	3.00	5.00	4.532	0.562
Emphasize the importance of having a collective sense of mission	124	2.00	5.00	4.476	0.643
Emphasize the importance of having a strong sense of purpose	124	3.00	5.00	4.476	0.577
Talk about most important values and beliefs of the university	124	3.00	5.00	4.476	0.604
Overall Mean				**4.490**	**0.028**

Note: mean of 1=not at all, 2=rarely, 3=sometimes, 4=most of the time and 5=always

4.4.1.3 Inspirational Motivation

The results for inspirational motivation are presented in Table 4.4.

Table 4.4: Results of Descriptive Statistics of Responses 0n Transformational Leadership (Inspirational Motivation)

Variable	N	Min	Max	Mean	Std. Dev.
Talks optimistically about the future	124	3.00	5.00	4.532	0.590
Talks enthusiastically about what needs to be accomplished	124	2.00	5.00	4.532	0.617
Articulates a compelling vision of the future	124	2.00	6.00	4.508	0.644
Express confidence that goals will be achieved	124	3.00	5.00	4.508	0.577
Overall mean					

Note: mean of 1=not at all, 2=rarely, 3=sometimes, 4=most of the time and 5=always

The overall mean of more than 4.0 indicates that the respondents talked well about the vision of their universities and inspired the subordinates for the good of the learning institutions. Specifically, the results indicated that most of the times they talked optimistically about the future (M=4.53), talked enthusiastically about what needs to be accomplished (M=4.53), articulated compelling visions of the future (M=4.50) and expressed confidence that goals would be achieved (M=4.50). Consistent with Sadeghi and Elias, (2011), this study reveals that it is the duty of the university management to inspire their subordinates for continued success of the organizations because it enhances team cohesion, organizational commitment, and higher levels of job satisfaction when employees eventually feel the sense optimism in achieving their personal as well as university goals. This also supports the findings by De Witte and López-Torres (2017), who indicated that the management of the university plays a critical role in ensuring that all key players participate effectively in the day to day activities for enhanced performance of the institution. According to the study , it was noted that despite differences in the methods used for this purpose and in details of model specification, most of the existing studies including Hazelkorn, (2015) and Shattock, (2010) share common approaches to the consideration of higher education activity as employing key inputs that is human and financial resources, facilities to ‘produce’ important outputs such as education

(graduates), research (publications) and knowledge transfer (patents, spin-offs, public events, etc.).

4.4.1.5 Intellectual Stimulation

Table 4.5: Results of Descriptive Statistics of Responses on Transformational Leadership (Intellectual Stimulation)

Variables	N	Min	Max	Mean	Std. Dev.
Suggest new ways of looking at how to complete assignments	124	1.00	5.00	4.315	0.737
University seek differing perspectives when solving problems	124	2.00	5.00	4.290	0.647
Gets others look at problems from many different angles	124	2.00	5.00	4.290	0.672
Re-examine critical assumptions for appropriateness	124	2.00	5.00	4.185	0.629
Overall Mean					

Note: mean of 1=not at all, 2=rarely, 3=sometimes, 4=most of the time and 5=always

The results on intellectual stimulation presented in Table 4.5, indicates that respondents agreed that most of the times they provided the intellectual stimulation by specifically, suggested new ways of looking at how to complete assignments (M=4.32), sought differing perspectives when solving problems (M=4.29), got others to look at problems from many different angles (M=4.29) and re-examined critical assumptions for appropriateness (M=4.19). These results indicate that the respondents had the ability to spur creativity and innovations in Kenyan higher learning institutions. This means that the respondents in these institutions can lead their followers into achieving the goals of the institutions by helping employees to manage challenges. This is in support of the study by Hazelkorn (2015) and Shattock (2010) who both indicated that management of the university plays a key role in enhancing success in the institution. Good managers are able to lead their followers to greater performance standards. It was further noted that in the attempt to clarify which mechanisms are more conducive to (in) efficiency, it is crucial to explore the role of management and its specific characteristics. It was established that an understanding of certain managerial practices and/or leadership styles and their relationship or differentials in

measuring performances, and/or whether different types of governance models and organizational structures would lead to heterogeneity in institutions' performance.

4.4.1.3 Individual Consideration

Table 4.6: Results of Descriptive Statistics of Responses on Transformational Leadership (Individualised Consideration)

Variables	N	Min	Max	Mean	Std. Dev.
Consider an individual as having different needs, abilities, and aspirations from others	124	2.00	5.00	4.315	0.737
Assist employees to develop their strengths	124	2.00	5.00	4.306	0.712
Treat others as an individual rather than just as a member of a group	124	2.00	5.00	4.202	0.732
Spend time teaching and coaching employees	123	1.00	5.00	3.659	0.876
Overall Mean				**4.121**	**0.271**

Note: 1=not at all, 2=rarely, 3=sometimes, 4=most of the time and 5=always

The results presented in Table 4.6 indicate that most of the respondents practiced individual consideration in while discharging their duties as shown by the overall mean of M = 4.12. The mean scores showed that most of the respondents considered that an individual (employee) as having different needs, abilities, and aspirations from others (M=4.32), assisted employees to develop their strengths (M=4.31) and treated others (employee) as an individual rather than just as a member of a group (M=4.20). On the other hand, the mean scores on spending time teaching and coaching employees (M=3.66) showed that some of the respondents did not spend adequate time to teach and coach employees. In summary, most of the Vice Chancellors and Deputy Vice indicated that most of the times, they paid special attention to the needs of employees with needs for achievement and growth, considers employees as having different needs, abilities and aspirations and helped employees and to develop their strength. On the other hand, top university managers did not spend adequate time teaching and coaching employees. This finding agrees with those of (Hershfeldt *et al*. (2013) who highlighted the difficulty of school managers in finding time to offer individual coaching to their subordinates. This is mostly due to the commitments in their management responsibilities.

The findings are also in support of the argument of Jowi (2018) that effective leadership style is a process of empowering employees to participate in initiating change and transforming the organization. It supports the human relations model of leadership that emphasizes on the flexibility and internal focus within the organization and the performance. From the mode it emerges that the leader is the facilitator and mentor and hence is expected to foster collective effort, build cohesion, encourage team work and manage conflict. As a mentor, he is expected to be open, approachable and to engage in the development of subordinates through a caring and empathic orientation. It is further noted that transformational leadership has also been considered as eliciting more follower or employee commitment especially due to its focus on the interests of the followers including for their personal and professional growth (Li, Sanders, and Frenkel, 2012). It is noted that perceived organizational support through effective transformational leadership style has the strongest impact on the performance of the employees and is consistent with the findings of Sahin, Akyurek and Yavuz, (2014) which suggest that work environments that are supportive to the employee's needs enhance employee performance. As such, they argue that managers interested in fostering commitment amongst their staff could find it useful to invest in organizational support to employees.

4.4.2 Descriptive Statistics for Transactional Leadership

This section presents the results of the views of the respondent's ability to exercise transactional leadership. The results of the descriptive statistics are discussed below:

4.4.2.1 Contingent Reward

The results in Table 4.7 shows that the overall mean of the responses on transactional leadership contingent reward was M=3.721 which shows that the some of the respondents indicated that they sometimes exercised contingent reward on their sub-ordinates.

Table 4.7: Results of Descriptive Statistics of Responses on Transactional Leadership (Contingent Rewards)

Variables	N	Min	Max	Mean	Std. Dev.
Appreciate good work	124	2.00	5.00	4.452	0.725
Seek differing perspectives when solving problems	124	2.00	5.00	4.073	0.756
Inform subordinates what to do if they want to be rewarded for their efforts	124	1.00	5.00	3.919	0.842
Provide adequate award when employees achieve performance goals.	124	1.00	5.00	3.581	0.964
Negotiate with employees about rewards from what they can accomplish	124	1.00	5.00	3.323	1.024
Use punishment to reinforce expected behaviour	124	1.00	5.00	2.976	1.165
Overall Mean				**3.721**	**0.535**

Note: 1=not at all, 2=rarely, 3=sometimes, 4=most of the time and 5=always

The mean scores showed that most of the respondents appreciated good work (M=4.52), sought differing perspectives when solving problems (M=4.07) and informed subordinates what to do if they wanted to be rewarded for their efforts (M=3.92). On the other hand, some of the respondents indicated that they sometimes provided adequate award when employees achieved performance goals (M=3.58) and also sometimes negotiated with employees about rewards from what they could accomplish (M=3.32). In addition, most of the respondents indicated that they rarely used punishment to reinforce expected behaviour (M=2.98). Compared to the reward systems however, respondents seem to more apprehensive about the use of punishment by the respondents. It appears the use of punishment is not as popular as the reward systems in the learning institutions as indicated by a lower mean of (M=2.98) for the last dimension of contingent reward. In summary, most of top university managers appreciated good work and sought employees' opinions in problem solving. Although they sometimes reward employees for achieving goals, they mostly avoided use of punishments to reinforce desirable behaviour. This supports the argument of Jowi (2018) who sought to establish the role of leadership style in public universities and established that effective leadership styles should result into high levels of staff commitment which should in turn lead to enhanced organizational performance. Strategic leadership styles could thus excite different levels of commitment.

4.4.2.2 Management by exception - active

The results of management by exception (active) are presented in Table 4.8.

Table 4.8: Results of Descriptive Statistics of Responses on Transactional Leadership (Management By Exception - Active)

Variables	N	Min	Max	Mean	Std. Dev.
Proactive in university operations	124	1.00	5.00	4.097	0.991
Encourage employees to take initiatives	122	1.00	5.00	4.082	0.859
Asks no more of employees than what is absolutely essential to get the work done	124	1.00	5.00	2.508	1.220
Track their mistakes	124	1.00	5.00	2.484	1.115
Focus on employees mistakes	124	1.00	5.00	2.379	1.159
Concentrate on their failures	124	1.00	5.00	2.048	1.096
Overall Mean				**2.933**	**0.911**

Note: 1=not at all, 2=rarely, 3=sometimes, 4=most of the time and 5=always

The results in Table 4.8 shows that the overall mean score for management by exception (active) is M=2.93 which implies that most of the respondents rarely focused or tracked employee's failures. Specifically, the respondents indicated that most of the time they were proactive in university operations (M=4.10) and encouraged employees to take initiatives (M=4.08). On the hand, most of the respondents indicated that sometimes they asked no more of employees than what is absolutely essential to get the work done (M=2.51), that they rarely track employees mistakes (M=2.48), rarely focus on their mistakes (M=2.38) and rarely concentrate on their failures (M=2.05). In summary, the respondents of the universities involved in the study indicated that they were most of the time they encouraged employees to take initiatives but rarely concentrated on, or tracked employees' failures or mistakes. This is in line with the rational goal model which emphasizes control and external focus with performance being associated with the directing of activities. The mode views the leadership as a director who is task – oriented, work-focused, has high motivation and personal drive and encourages organization members to achieve goals and increase productivity. The leader therefore provides direction, initiates action, defines roles, tasks, job descriptions and evaluates performance of the employees (Jowi, 2018).

4.4.2.3. Management by Exception – Passive

Table 4.9: Results of Descriptive Statistics of Responses on Management by Exception–Passive

Variables	N	Min	Max	Mean	Std. Dev.
React to problems if serious	124	1.00	5.00	3.677	1.048
React to problems if chronic	124	1.00	5.00	3.008	1.376
Delay responding	124	1.00	5.00	1.984	1.089
Avoid involvement	124	1.00	5.00	1.887	1.038
Absent themselves when needed	124	1.00	5.00	1.823	1.090
Avoid deciding	124	1.00	5.00	1.734	0.997
Overall Mean				**2.352**	**0.799**

Note: 1=not at all, 2=rarely, 3=sometimes, 4=most of the time and 5=always

The results presented in Table 4.9 shows that on overall the respondents of the universities rarely practiced this type of management system (M=2.35). However, the results show that the top leadership sometimes reacted to problems if serious (M=3.68) or if problems were chronic (M=3.00). On the other hand, most of the respondents indicated that they did not delay responding to issues (M=1.98), did not avoid involvement (M=1.89), did not absent themselves when needed (M=1.82) and did not avoid making decisions (M=1.73). The implication of this result is that most of the respondents of universities preferred to be hands on leaders. This agrees with the internal processes model which emphasizes control and internal focus with the performance criteria being associated with coordinating activities. Here, the leadership roles are those of coordinator and monitor. The leader as a coordinator is expected to maintain structure and the flow of the system and perform tasks including scheduling, organizing and coordinating staff efforts. As a monitor, the leader is expected to be expert at managing information, how the unit works and to be well informed about policies and procedures (Lumby, 2012). It is therefore noted that Leaders could be more effective and successful in achieving organizational goals by impacting on the commitment of their staff and followers to perform beyond expectation.

4.4.3 Descriptive Statistics for Organizational Change

In this section, the respondents were asked to state the extent to which they agreed that they had initiated organizational change in the respective learning institutions. Organizational change was perceived to consist of organizational structure of the universities, strategic orientation, people behaviour, organizational communication and technological changes. The results are discussed below.

4.4.3.1 Organizational Structure

Organizational structure refers to the way jobs are divided and assigned and coordinated to facilitate the performance of the organization. Organizational structure is important in improving coordination since reporting relationships are made clear.

Table 4.10: Results of Descriptive Statistics of Responses on Organizational Structure

Variables (Organizational structure has led to increased)	N	Min	Max	Mean	Std. Dev.
Increased trust in the university	124	2.00	5.00	4.210	0.747
Increase clarity in reporting lines	124	2.00	5.00	4.177	0.663
Reduction in corruption	124	1.00	5.00	4.169	0.783
Increased coordination of activities	124	2.00	5.00	4.097	0.668
Increased reporting relationships	124	2.00	5.00	4.073	0.677
Improved provision of tools and equipment for work	124	1.00	5.00	4.016	0.775
Centralization of decision making	124	1.00	5.00	3.589	0.884
Overall Mean				**4.047**	**0.213**

Note: mean of 1= not at all, 2=to a little extent, 3=moderate extent, 4=great extent and 5=very great extent

The results presented in Table 4.10 indicates that the top leadership of universities agreed to a great extent that the respondents had initiated organizational change (M=4.047). With respect to specific items under organizational structure, the respondents agreed to a great extent that they had built organizational structures which led to increased trust in the university (M=4.21), increased clarity in reporting lines (M=4.18), reduction in corruption (M=4.17), increased coordination of activities (M=4.10), increased reporting relationships (M=4.07),

improved provision of tools and equipment for work (M=4.02) and centralization of decision making (M=3.40).

The results seem to suggest that the top leadership does not prefer centralization of the decision making which is the only variable with a mean response of less than 4. Although this is expected as centralization of decision making increases bureaucracies which would likely lengthen the procedure of delivery of services as well as reducing innovation in the organisation (Bakonyi, and Muraközy, 2016). The results suggest that the top leadership does not prefer centralization of the decision making which is the only variable with a mean response of less than 4. Although this is expected as centralization of decision making increases bureaucracies which would likely lengthen the procedure of delivery of services as well as reducing innovation in the organisation (Bakonyi, and Muraközy, 2016).

4.4.3.2 Strategic orientation

The results presented in Table 4.11 indicate that in aggregate, the respondents agreed to a great extent that they promoted a strong strategic orientation (M = 3.987) as shown.

Table 4.11: Results of Descriptive Statistics of Responses on Strategic Orientation

Variables (Strategic Orientation has led to)	N	Min	Max	Mean	Std. Dev.
Increased course variety	124	2.00	5.00	4.153	0.797
Increased local market coverage	124	2.00	5.00	4.081	0.782
Increased diversification in other products/ services besides education and research	124	1.00	5.00	3.887	0.956
Increased international market coverage	123	1.00	5.00	3.829	1.006
Strategic orientation				**3.987**	**0.154**

Note: mean of 1= not at all, 2=**to a little extent,** 3=**moderate extent**, 4=**great extent and 5=very great extent**

The overall mean of the items under strategic orientation is (M=3.99) which indicates perhaps a strong strategic orientation developed by the respondents in the universities targeted in this study. The respondents agreed that they built a strategic orientation that had led to increased course variety (M=4.15), increased local market coverage (M=4.08), increased diversification in other products/services besides education and research (M=3.89), and finally increased international market coverage (M=3.83). These results depict a general

agreement by the respondents about the existence of a strong strategic orientation built by the respondents and its contribution to a better management system. Skalik (2016) similarly lauded the important contribution of a strong strategic orientation whereby he posited that strategic orientation in change management expresses the approach of people managing the internal organizational movement to initiate, design and implement changes depending on the company's situation. Skalik (2016) similarly lauded the important contribution of a strong strategic orientation whereby he posited that strategic orientation in change management expresses the approach of people managing the internal organizational movement to initiate, design and implement changes depending on the company's situation.

4.4.3.3 Technology

The impact of strategic change on technological advancement in universities in Kenya is visible in the results presented in Table 4.12.

Table 4.12: Results of Descriptive Statistics of Responses on Technological Change

Variables	N	Min	Max	Mean	Std. Dev.
Technology has increased in the storage of data	124	3.00	5.00	4.266	0.700
Technology has increased accuracy and speed of data capturing	124	1.00	5.00	4.242	0.726
Technology has simplified students registration procedures	124	1.00	5.00	4.226	0.784
Technology has increased speed in retrieval of information	124	2.00	5.00	4.226	0.753
Technology has reduce traffic in the university offices	124	1.00	5.00	4.194	0.823
Technology has reduced repetitive tasks	123	2.00	5.00	4.073	0.748
Overall Mean				**4.205**	**0.068**

Note: mean of 1= not at all, 2=to a little extent, 3=moderate extent, 4=great extent and 5=very great extent

The respondents agreed to a larger extent that they have set up structures that improve technology of the organization. The overall mean score of the responses of M=4.21 implies that majority of the respondents agreed to a great extent that they had initiated technological changes in their respective institutions. The results for technological impact in the

organisation reveal that the respondents agreed to a great extent that technology had increased the storage of data (M=4.27), technology had increased accuracy and speed of data capturing (M=4.24), technology had simplified students registration procedures (M=4.23), technology has increased speed in retrieval of information (M=4.23), technology had reduced traffic in the university offices (M=4.20) and that technology had reduced repetitive tasks (M=4.07).

4.4.3.4 People Behaviour

To establish the contribution of the respondents in the change of people's behaviour, respondents were as well asked to state the extent with which they thought they had initiated changes in the behaviour of the staff. The overall mean of the responses as presented in Table 4.13 was M=4.23 indicating that the respondents agreed to a great extent that they had initiated behavioural changes in the learning institutions. With respect to specific items under behaviour change, the respondents similarly agreed to a great extent that the they had motivated their staff (M=4.48), provided sufficient corporate direction (M=4.30), provided professionalism while attending to clients (M=4.23), increased sense of trust in the organization (M=4.15) and had created employee health initiatives to avoid stress and burnout (M=3.97). In general terms, the respondents had established an institutional behaviour that satisfies both the staff and the clients of the respective institutions involved in this study.

This is in support of the findings of Yzer (2012 who noted that human behaviour is adequately influenced It has further been claimed that even the addition of perceived behavioural control does not say much about actual control of behaviour. It has also been claimed that the theory does not consider other factors such as fear, threat, mood or past experiences that could influence a person's behaviour. The TPB also does not address the time frame between intention and behaviour, a factor that can actually impact on behaviour.

Table 4.13: Results Of Descriptive Statistics of Responses on People's Behaviour Change

Variables (Top leadership)	N	Min	Max	Mean	Std. Dev.
Leads to a motivated staff	124	2.00	55.00	4.484	4.644
Provides sufficient corporate direction	124	2.00	5.00	4.298	0.662
Provides professionalism while attending to clients	124	2.00	5.00	4.234	0.652
Increased sense of trust in the organization	124	2.00	5.00	4.153	0.766
Employee health initiatives to avoid stress and burnout	124	1.00	5.00	3.968	0.928
People behaviour				**4.227**	**0.190**

Note: mean of 1= not at all, 2=to a little extent, 3=moderate extent, 4=great extent and 5=very great extent

4.4.3.5 Organizational Communication

Effective organizational communication is important in any institution as it enables openness between senior management and employees which could result in higher productivity. The findings of this study indicate that respondents interviewed generally agreed that they had contributed to improved communication. This is indicated by the overall mean of M=4.14 presented in Table 4.14 The results further indicate that the respondents equally agreed to a great extent that the organizational communication had let to improved operational efficiency (M=4.20), increased flow of information (M=4.14), satisfied customers from good services (M=4.13) and led to improved innovation and creativity within the learning institutions (M=4.08). Indeed, building and maintaining rapport between different stakeholders in an organization is important to bring understanding and working towards a common goal. The results therefore indicate a better communication system in the institutions which perhaps if properly utilized could improve the performance of the universities in Kenya.

Table 4.14: Results of Descriptive Statistics of Responses on Organizational Communication

Variables (Organizational Communication has led to)	N	Minimum	Maximum	Mean	Std. Dev.
improved operational efficiency	124	2.00	5.00	4.202	0.662
Increased flow of information	124	2.00	5.00	4.137	0.702
Satisfied customers from good services	124	2.00	5.00	4.129	0.637
Improved innovation and creativity	124	2.00	5.00	4.081	0.717
Organizational Communication				**4.137**	**0.049**

Note: mean of 1= not at all, 2=to a little extent, 3=moderate extent, 4=great extent and 5=very great extent

4.4.4. Descriptive Statistics for Organizational Performance

This study also established the views of the respondents about the performance of the universities as related to the organizational leadership provided by the respondents. The respondents were asked to evaluate the performance of the institution over the previous three years by indicating the extent of changes initiated by the management. The results as presented in Table 4.15 indicate in general a good organizational performance as the overall mean of the responses was M=3.97. This implies that majority of the respondents agreed that the performance of the learning institutions had increased in the last three years. Results related to the student's enrolment indicate that majority of the respondents agreed that the number of students enrolled and those graduating had increased for the last three years. The mean response in relation to students enrolled and graduating was 4.21 and 4.18 respectively. In terms of investment in infrastructure, the mean response was 4.18 indicating that the respondents similarly agreed that it had increased in the last three years. The same trend applies for the ratio of staff and students, the university financial muscles and research and scientific publications. For instance, majority of the respondents agreed that the amount of income from fees collections had increased in the last three years with a mean response of (M=4.02). The same applies to the amount of research funds granted with a mean of (M=3.86).

Table 4.15: Results of Descriptive Statistics of Organizational Performance

Variables	N	Min	Max	Mean	Std. Dev.
Number of students graduating	124	2.00	5.00	4.210	0.678
Amount of investment on infrastructure	124	1.00	5.00	4.185	0.810
Number of academic programmes: Degree	124	2.00	5.00	4.185	0.810
Number of students enrolled	124	2.00	5.00	4.177	0.827
Number of research papers published in refereed journals	124	2.00	5.00	4.121	0.658
Number of employees in the institution: Lecturers	124	1.00	5.00	4.073	0.627
Number of formal agreements the university has in research (MoU)	124	2.00	5.00	4.040	0.759
Number of student retention	124	2.00	5.00	4.024	0.738
Amount of income from fees collections	124	2.00	5.00	4.016	0.816
Number of employees in the institution: Non-teaching staff	124	2.00	5.00	3.976	0.780
Number of academic programmes: Masters	124	2.00	5.00	3.960	0.715
The number of researchers in research council and editorial boards in journals	124	2.00	5.00	3.887	0.724
Number of innovations in the institution	124	1.00	5.00	3.879	0.761
Amount of investment on staff development and training	124	1.00	5.00	3.863	0.887
Amount of research funds granted	124	2.00	5.00	3.855	0.899
Number of employees in the institution: Associate professors	124	1.00	5.00	3.839	0.769
Ratio of the number of full-time Student/academic staff	124	1.00	5.00	3.815	0.923
Number of academic programmes: Diploma	124	1.00	5.00	3.798	0.946
Number of employees in the institution: Professors	124	1.00	5.00	3.758	0.810
Number of academic programmes: PhD	124	0.00	5.00	3.661	0.892
Overall Mean				**3.966**	**0.160**

Note: mean of 1=Very much decreased, 2=Decreased, 3=Constant, 4=Increased, 5=Very much Increased

4.5 Hypotheses testing

In this section, hypotheses one to six were tested using regression analysis. Pearson's correlation analysis was carried out to determine the strength and direction of the relationships among the independent and dependent variables. Regression analyses (i.e.

simple, multiple and hierarchical) were carried out to establish the effect of strategic leadership style and organizational change on organizational performance.

4.5.1 Results of Pearson's Correlation Analysis

Before the regression analysis was carried out, preliminary analysis of the objectives was done using Pearson Correlation analysis was carried out to determine the strength and direction of the relationships among strategic leadership styles, organizational change and organizational performance. Pearson Correlation analysis was used to determine the strength and direction of the relationships among the variables in Hypotheses One to Five. Bryman and Cramer (2006) reported that a correlation of 0 indicates two measures are unrelated; 0.19 and below is very weak; 0.20 to 0.39 is weak; 0.40 to 0.69 is moderate; 0.70 to 0.89 is strong; and 0.90 to 1 is very strong. The correlations are as follows:

4.5.1.1 Relationship between strategic leadership styles and organizational performance

Pearson's Correlation analysis was conducted to determine the relationship between strategic leadership styles and organizational performance as shown in Table 4.16.

Table 4.16: Pearson's Correlation Analysis Exploring the Relationship between Strategic Leadership Styles and Organizational Performance

		Transformational Leadership	**Transactional Leadership**	**Organizational Performance**
Transformational Leadership	Pearson Correlation	1	0.099	0.333**
	Sig. (2-tailed)		0.278	0.000
	N	123	121	123
Transactional Leadership	Pearson Correlation	0.099	1	-0.177*
	Sig. (2-tailed)	0.278		0.050
	N	121	122	122
Organizational Performance	Pearson Correlation	0.333**	-0.177*	1
	Sig. (2-tailed)	0.000	0.050	
	N	123	122	124

The results of the correlation analysis indicate that there was a positive and significant relationship between Transformational Leadership and Organizational performance ($r = 0.333$, $p < 0.01$). This implies that organizational performance increased when top university managers used Transformational leadership style. This result in Table 4.16 is consistent with the results of Wahab *et al*. (2016) who realized a positive and significant relationship between Transformational leadership and Organizational performance among the academic leaders in Malaysian Public Universities. On the other hand, the correlation

analysis showed that transactional leadership was negatively correlated with organizational performance (r = -0.177, p = 0.05). This suggests that performance declines when top university managers use transactional leadership style.

4.5.1.2 Relationship between Organizational Change and Organizational Performance

The results in Table 4.17 show a moderate, positive correlation between organizational performance and organizational change ($r = 0.549$, $p < 0.01$). This implies that changes in the organization in terms of organizational structure, strategic orientation, technological improvement, people's behaviour and organizational Communication are significant factors contributing to organizational performance in the Kenyan universities. This is consistent with findings by Atieno and Kyongo (2017) who found a moderate correlation between orgnaisational change and organizational performance.

Table 4.17: Pearson's Correlation Analysis Exploring the Relationship between Organizational Change and Organizational Performance

		Organizational Change	**Organizational Performance**
Organizational Change	Pearson Correlation	1	.549**
	Sig. (2-tailed)		.000
	N	122	122
Organizational Performance	Pearson Correlation	.549**	1
	Sig. (2-tailed)	.000	
	N	122	124

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

4.5.2. Results of Regression Analysis

Testing of hypotheses One to Six was carried out using simple, multiple and hierarchical regression analyses. Prior to regression analyses, presence of multicollinearity was ruled out as shown in Chapter Three, Section 3.12.

H_{O1}: Transformational leadership does not have significant effect on organizational performance in Kenyan universities.

This hypothesis was tested using correlation analysis and results are presented in Table 4.18.

Table 4.18: Results of Simple Regression Analysis Establishing the Effect of Transformational Leadership Style on Organizational Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.333[a]	0.111	0.103	4.55090

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	312.200	1	312.200	15.074	0.000[b]
	Residual	2505.999	121	20.711		
	Total	2818.199	122			

predictors: (Constant), Transformational leadership, Dependent Variable: organizational performance

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.448	4.459		5.034	0.000
	Transformational leadership	0.357	0.092	0.333	3.883	0.000

a. Dependent Variable: organizational performance

The results of the simple regression analysis show that transformational leadership accounted for 11.1% of the variance in organizational performance in Kenyan universities (R Square=0.111). This shows that 88.9% of the variance in organizational performance was explained by other factors. Further, the *F*-test statistic (F = 15.074, p = 0.000) shows the fitness of the regression model, which means that transformational leadership is a significant predictor of organizational performance. The standardised beta coefficients showed that transformational leadership style was a significant positive predictor of organizational performance (β=0.333, p=0.000). Thus the hypothesis which states that transformational leadership style does not have significant effect on organizational performance is rejected and

the alternative hypothesis which states that transformational leadership has significant effect on organizational performance was accepted.

This suggests that implementation of transformational leadership style positively influences performance in their universities. This is consistent with studies by Jiang *et al*. (2017) who reported that transformational leaders play the roles of both coaching and advisory. A similar study done by Militaru (2012) confirms this finding by reaffirming that that transformational leadership facilitates higher levels of creativity and innovation through emphasized the knowledge integration mechanisms into university. The one-to-one relationship that they establish with their subordinates improves the commitment of team members to take on the tasks arranged by the leader. Transformational leadership promotes the unconventional ways of doing things in organizations which effectively fosters innovation and improve performance (Uddin *et al*., 2017).

Further multiple regression analysis on the effect of the dimensions of transformational leadership on organizational performance was done and presented in Table 4.19. The results showed that intellectual stimulation was a significant positive predictor of organizational performance.

Table 4.19: Further Regression on the Dimensions of Transformational Leadership

Model Summary

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.575[a]	0.331	0.302	10.0630

a. Predictors: (Constant), Idealised Influence-Attitudes, Idealised Influence-Behaviour, Inspirational Motivation, Intellectual Stimulation, Individualised Consideration

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5852.581	5	1170.516	11.559	0.000[b]
	Residual	11847.992	117	101.265		
	Total	17700.573	122			

a. Dependent Variable: SMEAN (organizational performance)

b. Predictors: (Constant), Idealised Influence-Attitudes, Idealised Influence-Behaviour, Inspirational Motivation, Intellectual Stimulation, Individualised Consideration

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	34.382	10.308		3.336	0.001
	Idealised Influence-Attitudes	1.231	0.945	0.145	1.303	0.195
	Idealised Influence-Behaviour	0.961	1.376	0.073	0.699	0.486
	Inspirational Motivation	0.419	1.436	0.033	0.292	0.771
	Intellectual Stimulation	5.420	1.271	0.461	4.263	0.000
	Individualised Consideration	-0.847	1.160	-0.080	-0.730	0.467

a. Dependent Variable: SMEAN (organizational performance)

The results of the multiple regression analysis show that various component of transformational leadership accounted for 33.1% of the variance in organizational performance in Kenyan universities (R Square=0.331). This shows that 66.9% of the variance in organizational performance was explained by other factors. Further, the *F*-test statistic ($F = 11.559$, $p = 0.000$) shows the fitness of the regression model, which means that the component of transformational leadership is significant predictor of organizational performance.

From the analysis, the coefficient of Transformational Leadership (Idealised Influence - Attitudes) was 0.145 (t- value = 1.303, p- value = 0.195). This implies that the component of transformational leadership (idealized influence attitude) does not contribute to organizational performance. The study also indicates that the component of Transformational Leadership (Idealised Influence - behaviour) was 0.073 (t- value = 0.669, p- value = 0.486). This implies that the component of transformational leadership (idealized influence behaviour) does not contribute to organizational performance. The study further indicates that the component of Transformational Leadership (Inspirational Motivation) was 0.033 (t- value

= 0.292, p- value = 0.771). This implies that the component of transformational leadership (inspirational motivation) does not contribute to organizational performance. The study also indicates that the coefficient of transformational leadership (intellectual stimulation) had a coefficient of 0.461 (t- value = 4.263, p- value of 0.000). This implies that the component of transformational leadership (intellectual stimulation) significantly influences the organizational performance. Finally, the study indicated that the component of transformational leadership (individualised consideration) does not influence the organizational performance. The study shows that the coefficient of the component of transformational leadership was -0.080 (T- value = -0.73, p- value = 0.467). This means that there is no significant relationship between the component of transformational leadership (individual consideration) and organizational performance.

The results show that leaders who deploy intellectual stimulation in their leadership value encouraging creativity and do not use public criticism to respond to mistakes of individual employees but instead solicit new ideas and creative solutions to problems. Consistent with this study, Anjali and Anand (2015) had a similar observation and they explained that intellectual simulation leads to the development of employee commitment to the organization. As a result, the ability of the organization to achieve goals based on the dedication and hard work of employees is enhanced. The null hypothesis which says that transformational leadership does not have a statistically significant effect on organizational performance in Kenyan universities is thus rejected and the alternative hypothesis is adopted.

H_{O2}: Transactional leadership does not have significant influence on organizational performance in Kenyan universities

Table 4.20: Results of Simple Regression Analysis Establishing the Effect of Transactional Leadership on Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.177[a]	0.031	0.023	4.76710

a. Predictors: (Constant), transactional leadership

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	88.304	1	88.304	3.886	0.051[b]
	Residual	2727.026	120	22.725		
	Total	2815.330	121			

a. Dependent Variable: organizational performance; Predictors: (Constant), transactional leadership

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	45.333	2.890		15.689	0.000
	Transactional leadership	-0.208	0.105	-0.177	-1.971	0.051

a. Dependent Variable: organizational performance

The results in Table 4.20 show that Transactional leadership accounted for 3.1% of the variance in organizational performance in Kenyan universities (R Square=0.031). Thus, 96.9% of the variance in organizational performance was explained by other factors. Further, the *F*-test statistic (F = 3.886, p = 0.050) shows the fitness of the regression model, which means that transactional leadership is a significant predictor of organizational performance. The standardised beta coefficients showed that transactional leadership style was a significant weak negative predictor of organizational performance (β = -0.177, p=0.051). Thus the null hypothesis which states Transactional leadership does not have a significant effect on organizational performance in Kenyan universities is rejected since Transactional leadership does have a significant effect on organizational performance in Kenyan universities.

This suggests that top university managers who used transactional leadership style negatively influenced performance in their universities. Similarly, Brahim *et al*. (2015) noted that since transactional leadership is based on a system of rewards and penalties, it does not offer much in terms of inspiration, to motivate people to go beyond the basics to spur the performance of the organization. In fact, the subordinates under transactional leaders in their quest to avoid penalties might get complacent and develop a tendency to achieve minimal performance.

Further multiple regression analysis was carried out to establish the effect of the dimensions of transactional leadership on organizational performance and the results showed that contingent reward was a positive predictor while management by exception-passive was a negative predictor of organizational performance Table 4.21.

Table 4.21: Further Regression on the Dimensions of Transactional Leadership

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.435[a]	0.189	0.169	10.93536

a. Predictors: (Constant), Contingent Reward, Management By Exception -Active, Management By Exception – Passive

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3266.839	3	1088.946	9.106	0.000[b]
	Residual	13991.115	117	119.582		
	Total	17257.954	120			

a. Dependent Variable: SMEAN (organizational performance)

b. Predictors: (Constant), Contingent Reward, Management By Exception -Active, Management By Exception-Passive

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	82.994	8.657		9.587	0.000
	Contingent Reward	3.412	0.879	0.326	3.884	0.000
	t Management By Exception - Active	0.183	0.529	0.031	0.345	0.730
	Management By Exception-Passive	-1.438	0.481	-0.267	-2.990	0.003

a. Dependent Variable: SMEAN(organizational performance)

The results of multiple regression investigated the relationship between the component of transactional leadership had a R squared value of 0.189. This implies that the component of transactional leadership accounted for 18.9% of the variability on the organizational performance. The study indicate that the component of transactional leadership had (F= 9.106, p- value = 0.000). This means that the component of transactional leadership

influences the performance of the organization significantly. The study shows that the coefficient of component of transactional leadership (contingent reward) was 0.326 (t- value = 3.884, p- value = 0.000). This indicates that the component of transactional leadership (contingent reward) significantly influences the organizational performance. The study also indicates that the component of transactional leadership (management by exception active) had a coefficient of 0.031 (t- value = 0.345, p- value =0.730). This means that there is no significant relationship between the component of transactional leadership and organizational performance. The study also indicates that the component of transactional leadership (management by exception -Passive) had a coefficient of -0.267 (t- value = -2.99, p-value = 0.003). This implies that the component of transactional leadership (management by exception passive) has a significant relationship with organizational performance. This study therefore concludes that the components of transactional leadership (management by exception passive and contingent reward) influenced organizational performance.

The positive standardised beta coefficients in relation to transactional leadership (contingent reward) implies that a leader who promises and awards adequate rewards for good performance, punishes poor performance, and constantly appreciates good work stands a chance to improve the performance of the organization. Transactional contingent reward basically operates at a more explicit, contract-based level by clearly specifying role and task requirements for subordinates, setting performance criteria, and providing rewards for effort expenditure, as well as goal achievement. The reward system motivates the employees to work hard to achieve the set objectives with the hope of getting the reward. This explains why this item of transactional leadership has a greater influence on the performance of Kenyan universities. This finding is consistent with that of Xenikou (2017) who observed that transactional contingent reward had a positive influence on organizational performance and was more strongly related to the affective identification of the employees rather than cognitive identification. The explanation was that transactional contingent reward enhances employees' bonding with the organization they work for and thus work towards achieving goals with the expectations of higher remuneration for good performance. Contrary to this findings, Alharbi (2017) noted with concern that contingent reward component of transactional style of leadership was associated with less intrinsic and more with extrinsic satisfaction. Comparing this with all components of transformational leadership style the results indicated that they were all significantly correlated with both intrinsic and extrinsic

job satisfaction. Thus, job satisfaction is crucial for long term performance and attainment of organizational goals.

The study findings showed that management by exception (passive) had a significant negative effect on the performance of Kenyan universities. This implies that leaders who use this dimension of transactional leadership are bound to miss out on achieving the goals of the organization. Leaders that use management by exception (passive) only react if problems are serious or chronic, avoid involvement in major decisions, are absent at crucial moments and delay responding to queries. Clearly, passive management by exception means the leader does not take prudent measures and key decisions while managing the organization. In a meta-analysis, Judge and Piccolo's (2004) compared the influence of transformational leadership and transactional leadership with particular attention on contingent rewards, management by exception passive and active management by exception. They revealed that items of transactional leadership particularly the management by exception active were positive predictors of leader effectiveness, while passive management by exception was a negative predictor of leader's effectiveness. Thus, the null hypothesis which states that transactional leadership does not have a statistically significant effect on organizational performance in Kenyan universities was rejected and the alternative hypothesis accepted.

H_{O3}: The combined effect of dimensions of strategic leadership (transformational and transactional leadership) does not have significant effect on organizational performance in Kenyan universities.

The results of this hypothesis were tested using multiple regression analysis as shown in Table 4.22.

Table 4.22: Results of Multiple Regression Analysis Establishing the Combined Effect of Strategic Leadership on Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.395[a]	0.156	0.142	4.47920

a. Predictors: (Constant), transformational leadership, transactional leadership

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	437.538	2	218.769	10.904	0.000[b]
	Residual	2367.462	118	20.063		
	Total	2805.000	120			

a. Dependent Variable: organizational leadership

b. Predictors: (Constant), transformational leadership, transactional leadership

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28.162	4.937		5.704	0.000
	Transactional leadership	-0.249	0.100	-0.213	-2.504	0.014
	Transformational leadership	0.379	0.091	0.355	4.171	0.000

a. Dependent Variable: organizational performance

The model summary of the regression results presented in Table 4.22 indicate that strategic leadership styles (transformational and transactional) explained 15.6% of the variance in organizational performance (R squared=0.156). Therefore, 84.4% of the variance in organizational performance was explained by other factors not in the study. Further, the *F*-test statistic ($F = 10.904$, $p = 0.000$) shows the fitness of the regression model, which means that transformational and transactional leadership styles are significant predictors of organizational performance. The standardised beta coefficients showed that transformational leadership style was a significant positive predictor of organizational performance (β=0.355,

p=0.000). This implies that organizational performance increased when university leaders used transformational leadership style. On the other hand, the standardised beta coefficients show that transactional leadership style was a significant, negative predictor of organizational performance (β = -0.213, p = 0.014). This implies that performance in universities declined when university managers used transactional leadership style. The study findings therefore show that transformational leaders are likely to achieve higher performance as compared to transactional leaders. Thus, the null hypothesis which states that strategic leadership does not have a statistically significant effect on organizational performance in Kenyan universities is rejected and the alternative hypothesis accepted.

The positive beta coefficient for transformational leadership means that transformational leaders have influence in organization's culture, and they emphasize more on the limits of time and efficiency, take delight in avoiding risks, take control of the performance process, intellectually stimulate employees and are considerate to employees and motivate them thus having the ability to achieve higher results. On the other hand, transactional leadership style negatively affects organizational performance since leaders prefer to use punishment rather than rewards, focus on mistakes and failure, avoid making decisions and only react when problems are serious resulting in demotivated workforce. Transactional leaders can perhaps only survive in predictable circumstances with detailed plans and could easily satisfy their subject's needs through exchange of performance with rewards. Consistent with the study findings, Wei *et al. (2*010) found that subordinates who are under the control of a transactional leader will show less creativity than the ones who are under the control of a transformational leaders. Similarly, Lee (2008) found a negative relationship between transactional leadership and the creativity of the subordinates.

Further multiple regression analysis of the dimensions of strategic leadership on organizational performance showed that transformational leadership (intellectual stimulation) was the only significant predictor of organizational performance.

Table 4.23: Further Results of Multiple Regression Analysis between Organizational Performance and Strategic Leadership

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.605a	0.367	0.326	9.84348

a. Predictors: (Constant), 1, 2, 3, 4, 5, 11, 22, 33

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6308.914	7	901.273	9.302	0.000b
	Residual	10949.040	113	96.894		
	Total	17257.954	120			

a. Dependent Variable: SMEAN(organizational performance)

b. Predictors: (Constant), 1=Transformational Leadership (Idealised Influence - Attitudes), 2=Transformational Leadership (Idealised Influence - Behaviour), 3=Transformational Leadership (Intellectual Stimulation), 4=Transformational Leadership (Inspirational Motivation), 5= Transformational Leadership (Individualised Consideration), 11=Transactional Leadership (Management By Exception - Passive), 22=Transactional Leadership (Contingent Reward), 33=Transactional Leadership (Management By Exception - Active)

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	Beta	Std. Error	Beta	t	Sig.
(Constant)	1.113	0.947	0.133	1.175	0.243
1.Idealised Influence – Attitudes	1.027	1.362	0.079	0.754	0.452
2.Idealised Influence - Behaviour),	0.217	1.412	0.018	0.154	0.878
3.Inspirational Motivation	5.349	1.294	0.460	4.133	.000
4.Intellectual Stimulation	-0.654	0.493	-0.155	-1.328	0.187
5.Individualised Consideration	-0.894	1.160	-0.085	-0.771	0.442
11.Contingent rewards	-0.037	0.497	-0.006	-0.075	0.941

22.Management By Exception - Passive	-0.718	0.455	-0.133	-1.577	0.118
33. Management By Exception – Active	1.113	0.947	0.133	1.175	0.243

a. Dependent Variable: SMEAN(organizational performance)

Further multiple regression analysis between the dimensions of strategic leadership and organizational performance jointly accounted for 36.7% variability in organizational performance. (F=9.302, p=0.000) and (R squared=0.366). This shows that 63.4% of the variance in organizational performance was explained by factors not in the study. From the analysis, the standardized beta coefficients of Transformational Leadership (Idealised Influence - Attitudes) was 0.133 (t- value = 1.175, p- value = 0.243). This implies that the component of transformational leadership (idealized influence attitude) does not contribute to organizational performance. The study also indicates that the component of Transformational Leadership (Idealised Influence - behaviour) was 0.079 (t- value = 0.754, p- value = 0.452). This implies that the component of transformational leadership (idealized influence behaviour) does not contribute to organizational performance. The study further found that Transformational Leadership (Inspirational Motivation) was an insignificant positive predictor of organizational performance (β = 0.018, t- value = 0.154, p = 0.878). This implies that the component of transformational leadership (inspirational motivation) does not contribute to organizational performance.

The study also indicates that the coefficient of transformational leadership (intellectual stimulation) had a coefficient of (β = 0.460, t- value = 4.133, p = 0.000). This implies that the component of transformational leadership (intellectual stimulation) significantly influences the organizational performance. Finally, the study indicated that the component of transformational leadership (individualised consideration) does not influence the organizational performance. The study shows that the coefficient of the component of transformational leadership (individual consideration) was -0.085 (t-value = -0.771, p-value = 0.442). This means that there is significant relationship between the component of transformational leadership (individual consideration) and organizational performance. Actually, Intellectual stimulation means the leadership stimulates employees to think creatively and find solutions to difficult problems. Consistent with this study Orabi (2016) while investigating the influence of the dimensions of transformational leadership to the performance of three major banks operating in Jordan realised that intellectual simulation was

significant and had the most influence on organizational performance. Therefore, leaders employing transformational leadership style should pay more attention on intellectual stimulation to bolster organizational performance.

The study further show that the coefficient of components of transactional leadership (contingent reward) was -0.006 - (t- value = -0.771, p- value = 0.442). This indicates that the component of transactional leadership (contingent reward) not significantly influences the organizational performance.

This indicates that the component of transactional leadership (contingent reward) not significantly influences the organizational performance. The study also indicates that the component of transactional leadership (management by exception active) had a coefficient of -0.133(t- value = -1.577, p- value =0.118. This means that there is no significant relationship between the component of transactional leadership and organizational performance. The study also indicates that the component of transactional leadership (management by exception –Passive) had a coefficient of 0.133 (t- value = -0.075, p- value = 0.941. This implies that the component of transactional leadership (management by exception passive) has a significant relationship with organizational performance. This study therefore concludes that the components of transactional leadership (management by exception passive and contingent reward influences the organization performance.

Ho4 Strategic leadership does not have significant effect on organizational change in Kenyan universities.

Six indicators of organizational change which includes organizational structure, strategic orientation, technology, people's behaviour and organizational communication were used cumulatively to measure differences in organizational change across the universities. Multiple regression analysis was conducted to determine the effect of strategic leadership on organizational change and the results presented in Table 4.24.

Table 4.24: Results of Multiple Regression Analysis Establishing the Effect of Strategic Leadership on Organizational Change

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.549[a]	0.302	0.290	5.09571

a. Predictors: (Constant), transformational leadership, transactional leadership

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1302.349	2	651.175	25.078	0.000[b]
	Residual	3012.088	116	25.966		
	Total	4314.437	118			

a. Dependent Variable: organizational change

b. Predictors: (Constant), transformational leadership, transactional leadership

Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	T	Sig.
(Constant)	16.953	5.816		2.915	0.004
Transactional leadership	-0.095	0.113	-0.065	-0.840	0.403
Transformational leadership	0.762	0.108	0.552	7.080	0.000

a. Dependent Variable: organizational change

The model summary in Table 4.24 indicate that strategic leadership explained 30.2% (R Square =0.302) of the variance in organizational change. This shows that 69.8% of the variance in organizational change was explained by factors not in the study. Further, the F-test statistic (F = 51.684, p = 0.000) shows the fitness of the regression model, which means that strategic leadership was a significant predictor of organizational change. The standardized beta coefficients show that transformational leadership was a significant positive predictor of organizational change (β=0.552, p=0.000) while transactional leadership was an insignificant negative predictor of organizational change (p > 0.05). This implies that organizational change initiatives in Kenyan Universities will be successful when university

managers use transformational leadership style. This implies that organizational change increased when university leaders used transformational leadership style. On the other hand, the standardised beta coefficients show that transactional leadership style was an insignificant, negative predictor of organizational change (β = -0.065, p = 0.403). This implies that the ability to initiate in universities declined when university managers used transactional leadership style. The study findings therefore show that transformational leaders are likely to achieve higher performance as compared to transactional leaders. Thus, the null hypothesis which states that strategic leadership does not have significant effect on organizational change in Kenyan universities was rejected and the alternative hypothesis accepted.

The reason could be the likely advantage of transformational leadership which offers a sense of purpose that transcends short-term goals while emphasizing higher-order intrinsic needs. Additionally, managers who adopt transformational leadership recognize subordinates' needs, are considerate, stimulate employees intellectually by harnessing employees' ideas and encourage creativity, they motivate employees and effectively address employees' goals and challenges. This in turn creates a sense of purpose and unity in the organization which results in high job satisfaction and thus positive acceptance of organizational change.

Consistent with the findings, Faupel and Süb (2018) explained that transformational leadership leads to the perception of attractive consequences of change, which then motivates employees to support the change actively through their behaviour. Further, employees who perceive that change has positive consequences for them are likely to be willing to act in favour of the change. Similarly, Hermann *et al*. (2012) also reported that transformational leaders initiate and manage change effectively since they give mentorship to help employees manage their individual challenges, needs and goals, thereby fostering personal growth. They further elaborated that such leaders ensure that employees remain motivated and persistent during change and that they grow along with the situation. Further regression analysis showed that transformational leadership (intellectual stimulation) was the most important leadership style that top university managers can use to drive change.

Table 4.25: Further Multiple Regression Analysis Establishing the Effect of the Dimensions of Strategic Leadership on Organizational Change

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.526[a]	0.277	0.232	8.47205

a. Predictors: (Constant),), 1, 2, 3, 4, 5, 11, 22, 33

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3109.359	7	444.194	6.189	0.000[b]
Residual	8110.641	113	71.776		
Total	11220.000	120			

a. Dependent Variable: SMEAN(organizational change)

b. Predictors: (Constant),), 1, 2, 3, 4, 5, 11, 22, 33

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	58.643	10.253		5.720	0.000
1. Idealised Influence – Attitudes	0.754	0.815	0.112	0.924	0.357
2. Idealised Influence - Behaviour),	-0.810	1.172	-0.077	-0.691	0.491
3. Inspirational Motivation	-0.998	1.215	-0.100	-0.821	0.413
4. Intellectual Stimulation	4.986	1.114	0.532	4.477	0.000
5. Individualised Consideration	-0.898	0.998	-0.106	-0.899	0.370
11. Management By Exception – Passive	-0.390	0.428	-0.081	-0.911	0.364
22. Contingent rewards	-0.390	0.428	-0.081	-0.911	0.364

33. Management by exception active	-0.685	0.392	-0.158	-1.747	0.083

a. Dependent Variable: SMEAN(organizational performance)

The results indicate that the dimensions of strategic leadership explained 27.7% of the variance in organizational change (R Squared=0.287) which means that 72.3% of the variance in organizational change are explained by factors not in the study. The standardised beta coefficients show that transformational leadership (Intellectual stimulation) is the only leadership style that has significant positive influence in the management of change in Kenyan Universities.

From the analysis, the coefficient of Transformational Leadership (Idealised Influence - Attitudes) was 0.112 (t- value = 0.924, p- value = 0.357). This implies that the component of transformational leadership (idealized influence attitude) does not contribute to organizational change. The study also indicates that the component of Transformational Leadership (Idealised Influence - behaviour) was -0.077 (t- value = -0.691, p- value = 0.491). This implies that the component of transformational leadership (idealized influence behaviour) does not contribute to organizational change. The study further indicates that the component of Transformational Leadership (Inspirational Motivation) was -0.100 (t- value = -0.821, p- value = 0.413). This implies that the component of transformational leadership (inspirational motivation) does not contribute to organizational change. The study also indicates that the coefficient of transformational leadership (intellectual stimulation) had a coefficient of 0.532 (t- value = 4.477, p- value of 0.000). This implies that the component of transformational leadership (intellectual stimulation) significantly influences organizational change. Finally, the study indicated that the component of transformational leadership (individualised consideration) does not influence the organizational change.

Gagnon & Dragon (1998) and Hung (2006) analyzed the impact on technology (change agent) on the performance of organizations and it was widely agreed that automation of accounting functions; propagation into other administrative units; and development towards microcomputer technology and a multitude of local applications leads to improvement in productivity and the way the technologies are integrated into the organization matters a lot. Similarly, Nakola *et al*. (2015) analyzed the performance of SMEs in Kenya and concluded that technological orientation had a positive and significant effect on SME performance. They advised that leaders should strive to improve their leadershhip skills and deploy new

latest technologies and future forecasted technological changes to attain competitive advantage. Additionally, they noted the significant contribution to technology to internal processes such as speed, reliability and information management.

H_{O5} Organizational change does not have significant effect on organizational performance in Kenyan universities

The fifth hypothesis of the study was to determine the effect of organizational change on organizational performance which was tested using simple and multiple regression analysis. The regression results are presented in Table 4.26.

Table 4.26: Results of Multiple Regression Analysis Establishing the Effect of Organizational Change on Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.549[a]	0.301	0.295	3.97524

a. Predictors: (Constant), organizational change

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	816.733	1	816.733	51.684	0.000[b]
Residual	1896.300	120	15.802		
Total	2713.033	121			

a. Dependent Variable: organizational performance

b. Predictors: (Constant), organizational change

Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
(Constant)	17.645	3.086		5.718	0.000
Org change	0.429	0.060	0.549	7.189	0.000

a. Dependent Variable: Organization Performance

The results of the model summary indicate that organizational change in Kenyan Universities contributed 30.1% (R Square=0.301) of the variance in the performance of Universities. This shows that 69.9% of the variance in organizational performance was explained by factors not in the study. Further, the F-test statistic (F = 51.684, p = 0.000) shows the fitness of the regression model, which means that organizational change was a significant predictor of organizational performance. Specifically, organizational change has a significant, positive influence on the performance of the universities (β=0.549, p=0.000). This implies that performance in universities is enhanced when change is initiated effectively. Thus, the null hypothesis which states that organizational change does not have a statistically significant effect on organizational performance in Kenyan universities is rejected and the alternative hypothesis accepted.

Consistent with this finding, Gitonga (2014) who analysed the effect of organizational change on performance at the Kenyan Capital Market Authority, found a significant positive relationship between organizational change and organizational performance. Further regression analysis showed that strategic orientation was the most important organizational change tool to facilitate the organizational performance of the Kenyan universities.

Table 4.27: Results of Multiple Regression Analysis Results of the Model Summary Indicating Individual Aspects of Organizational Change in Kenyan Universities

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.621[a]	0.386	0.359	7.57924

a. Predictors: (Constant), Organizational Communication, Structure, Technology, Strategic Orientation, People Behaviour

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	4188.530	5	837.706	14.583	0.000[b]
Residual	6663.601	116	57.445		
Total	10852.131	121			

a. Dependent Variable: SMEAN(orgperform)

b. Predictors: (Constant), Organizational Communication, Structure, Technology, Strategic Orientation, People Behaviour

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	43.871	6.375		6.881	0.000
Structure	0.126	0.561	0.022	0.224	0.823
Strategic Orientation	3.395	0.713	0.522	4.762	0.000
Technology	1.036	0.585	0.199	1.772	0.079
People Behaviour	-0.064	0.975	-0.008	-0.066	0.947
Organizational Communication	-0.726	1.004	-0.087	-0.723	0.471

a. Dependent Variable: SMEAN(organizational performance)

The results of the model summary indicate that individual aspects of organizational change in Kenyan Universities contributed 38.6% (R Square=0.386) of the variance in the performance of Universities. This shows that 61.4% of the variance in organizational performance was explained by factors not in the study. Further, the F-test statistic (F = 14.583, p = 0.000) shows the fitness of the regression model, which means that aspects of organizational change were a significant predictor of organizational performance. The multiple regression results show that Strategic orientation was a positive change driver of organizational performance in Kenyan universities. Thus university management need to consider implementing a strong strategic orientation that meets the current needs to secure better performance of institutions of higher the learning in Kenya. The study indicate that the organization strategic orientation had a coefficient of 0.522 (t- value = 4.762, p- value = 0.000). This means that there was sufficient evidence to conclude that the organization strategic orientation influences the organization performance. From the study, it was observed that the coefficient of organizational structure was 0.022 (t- value = 0.224, p- value = 0.823). This means that there was sufficient evidence to conclude that the organizational structure influences the organization performance. The study further indicated that the coefficient of organization technology had a coefficient of 0.199 (t- value = 1.772, p- value = 0.079). This means that there was sufficient evidence to conclude that the organization technology does not influence the organizational performance significantly. The study also indicated that the coefficient of

organizational behaviour was -0.008 (t- value = -0.066, p- value = 0.947). This means that there is sufficient evidence to conclude that organizational people behaviour does not influence the performance of the organization. The study further indicates that organization communication had a coefficient of -0.087 (t=-0.723, p- value=0.471). This means that there is sufficient evidence to conclude that the organizational communication does not influence the performance of the organization significantly.

Consistent with the study findings, Abdallah *et al*. (2014) found a positive influence of strategic orientation on the innovative improvement of organizations and the resultant effect of organizational performance. However, these findings contradict findings by Obeitad (2016) who studied telecommunication companies and found that strategic orientation did not affect organizational performance. The author concluded that telecommunication companies in Jordan were not necessarily implementing their proposed strategies in the right way, thereby reducing the full impact that can be received from those strategies on their performance. Hence even though there is a huge possibility of a positive impact, it is important to implement the strategy properly. This result lends credibility to Khosa *et al*. (2015) assertion that understanding of all the organizational change factors that affect performance will help the organization to discover and improve performance. However, Rees and Porter (2008) acknowledged that technology change as a means of organizational change may be considered as neutral because it can have both positive and negative effects or a combination of the two and sometimes the technical advantages of the systems may outweigh the social advantages and the general performance of the organizations. Thus, the null hypothesis that organizational change has no statistically significant moderating influence on the relationship between strategic leadership and organizational performance in Kenyan universities is rejected and the alternative hypothesis is accepted.

Contrary to the findings of this study, Gagnon & Dragon (1998) and Hung (2006) analysed the impact on technology on the performance of organizations and it was widely agreed that automation of accounting functions; propagation into other administrative units; and development towards microcomputer technology and a multitude of local applications leads to improvement in productivity and the way the technologies are integrated into the organization matters a lot. Similarly, Nakola *et al*. (2015) analyzed the performance of SMEs in Kenya and concluded that technological orientation had a positive and significant effect on SME performance. They advised that SMEs should allocate resources for investments in latest technologies and future forecasted technological changes to attain competitive

advantage. Additionally, they noted the significant contribution of technology to internal processes such as speed, reliability and information management.

Leaders who desire to spur better performance in the Kenyan universities need to realize that organizational changes are paramount in their leadership in order to achieve a better performance. With expected impact of external environment and the critical vision of the universities, top management need to establish a flexible and adaptive infrastructure that should lead to better performance levels. To achieve such levels of performance, links between organizational changes, leadership and performance are essential. Furthermore, it is important to depict strategic organizational change as an integrative process. Therefore, organizational leadership elements and performance drivers need to be considered for successful performance improvement to occur. Thus, the null hypothesis which states that organizational change does not have significant effect on organizational performance in Kenyan universities was rejected and the alternative hypothesis is accepted.

H_{O6}: Organizational change does not have significant moderating effect on the relationship between strategic leadership and organizational performance in Kenyan universities

The last objective of this study was to determine the moderating effect of organizational change on the relationship between strategic leadership and organizational performance in Kenyan universities. Hierarchical regression analysis was applied to test this hypothesis and the results are presented in Table 4.28.

Table 4.28: Results of Hierarchical Regression Analysis Establishing the Moderating Effect of Organizational Change on the Relationship between Strategic Leadership and Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	R Square Change	F Change	Std. Error of the Estimate
1	0.393[a]	0.155	0.141	0.155	11.082	8.88940
2	0.624[b]	0.389	0.368	0.234	22.785	7.62238

a. Predictors: (Constant), Transformational, Transactional

b. Predictors: (Constant), Transformational, Transactional, Transaction-organizational change, Transformational-organizational change

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
Regression		1751.493	2	875.746	11.082	0.000[b]
Residual		9561.604	121	79.022		
Total		11313.097	123			
Regression		4399.124	4	1099.781	41.714	0.000[c]
Residual		6913.973	119	58.101		
Total		11313.097	123			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Transformational, Transactional

c. Predictors: (Constant), Transformational, Transactional, Transactional-organizational change, Transformational-organizational change

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
		Std. Error	Beta	t	Sig.
Constant	56.163	9.797		5.732	0.000
Transactional	-0.249	0.099	-0.212	-2.522	0.013

Transformational	0.379	0.090	0.353	4.207	0.000
Constant	69.626	9.583		7.265	.000
Transactional	1.466	0.597	1.246	2.454	0.016
Transformational	-1.135	0.326	-1.057	-3.486	0.001
Transactional-organizational change	0.013	0.003	2.383	4.076	0.000
Transformational-organizational change	-0.016	0.006	-1.784	-2.834	0.005

a. Dependent Variable: Organizational performance

The model summary in step 1 of the analysis in Table 4.28 shows that strategic leadership contributed 15.5% change in organizational performance R Square = 0.155, p= 0.000. This shows that 84.45% of the variance in organizational performance was explained by factors not in the study. Further, the F-test statistic (F = 11.082, p = 0.000) shows the fitness of the regression model, which means that strategic leadership was a significant predictor of organizational performance. The standardised beta coefficients showed that transformational (β = 0.353, p=0.000) and transactional leadership (β = -0.212, p=0.013) were significant positive predictors of organizational performance.

Organizational change was entered in Step 2 and the total variance of the model increased from 15.5% to 38.9% (R Squared = 0.389), F = 41.714, p = 0.000 when organizational change is introduced. This means that organizational change contributed 22.9% (R Squared change = 22.785) of the variance in organizational performance. The study indicates that the cross product between strategic leadership and organizational change yields better returns in terms of organizational performance. Further when organizational changes are introduced as a moderating variable, it was observed that the model adequacy increased and both the transactional leadership and transformational leadership are still significant (Shift of R Square = 0.155 to R Squared = 0.389).

This implies that Kenyan universities should successfully initiate changes with respect to organizational structure, strategic orientation, technology, people behaviour and organizational communication in their leadership to achieve better performance. It is also important to champion organizational change realizes better performance. On the other hand, it suggests that performance was negatively affected when top university managers used transactional leadership.

Leaders who desire to spur better performance in the Kenyan universities need to realize that organizational changes are paramount in their leadership in order to achieve better performance. With expected impact of external environment and the critical vision of the universities, the respondents need to establish a flexible and adaptive infrastructure that should lead to better performance levels. To achieve such levels of performance, links between organizational changes, leadership and performance are essential. Furthermore, it is important to depict strategic organizational change as an integrative process. In addition, organizational leadership elements and performance drivers need to be considered for successful performance improvement to occur. A summary of regression test results analyses is shown in Appendix IX .

CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study findings derived for the hypotheses testing, conclusions, implications and recommendations of the study.

5.2 Summary of Findings

The study examined the effect of strategic leadership on organizational change and organizational performance in Kenyan chartered universities. The data for the study was collected from 124 respondents (Vice Chancellors and Deputy Vice Chancellors) of all chartered universities in Kenya which constituted 84.93% response rate. The findings of the study revealed that the majority of the chartered university's respondents were male represented by 73.4% indicating a 6.7% deficit to meet the one third minimum threshold in relation to women as established in the Kenyan Constitution. The universities were distributed throughout the country.

The first objective of the study was to determine the effect of transformational leadership on organizational performance in Kenyan universities. The regression analysis findings revealed that transformational leadership positively contributed to organizational performance by 11.1%. Multiple regression analysis was further carried out to determine the effect of individual aspects of transformational leadership on organizational performance and the results show an improvement in the explanation power of the regressands to 33.1%. Hence, the dimensions of transformational leadership better explain the changes in performance if regressed together as individuals rather than regressing the cumulative/lumped transformational aspects. Additionally, it was clear from the results that is important for the leaders to pay attention to each driver of transformational leadership in the organization. Specifically, transformational leadership (intellectual stimulation) was the only dimension with the highest ($\beta = 0.556$, p=000) significant predictor of organizational performance. Thus the null hypothesis ($H0_1$) which says that transformational leadership does not have a statistically significant effect on organizational performance in Kenyan universities was rejected and the alterative hypothesis is adopted.

The second objective of the study was to determine the effect of transactional leadership on organizational performance of Kenyan universities. The regression results revealed that

interaction between the elements of transactional leadership (Constant, Contingent rewards, management by exception –passive and management by exception - active) jointly explained 3.1% of the changes in organizational performance. The rest of the changes are explained by factors outside transactional leadership. Further Multiple regression analysis was carried out to determine the effect of the individual aspects of transactional leadership on organizational performance and the results confirmed that the explanatory power of the regressands was also improved from 3.1% to 18.9% which means that they better explain the changes in performance if regressed together as individuals rather than regressing the cumulative/lumped transactional aspects. The results brought out clearly that it is important for the leaders to pay attention to each driver of transactional leadership in the organization. Specifically, transactional leadership (contingent rewards) and transactional leadership (management by exception – passive) had significant positive and negative influence respectively on organizational performance. The null hypothesis ($H0_2$) which states that transactional leadership does not have a statistically significant effect on organizational performance in Kenyan universities is similarly rejected and the alternative hypothesis accepted.

The third objective sought to determine the combined effect of strategic leadership dimensions (transformational and transactional leadership) on organizational performance of Kenyan universities. The regression results showed that both transactional and transformational leadership have a significant effect on performance in Kenyan universities with a 15.6% contribution on organizational performance. Specifically, transformational leadership has a positive influence on the performance while transactional leadership has a negative and significant effect on performance of universities. This implies that transformational leaders may possibly achieve higher performance compared to transactional leaders. Multiple regression analysis was further carried out to determine the effect of the individual aspects of dimensions of strategic leadership style on organizational performance and the results confirmed the previous results of the cumulative items of the respective leadership styles. The individual aspects of respective leadership styles jointly contributed 21.0% more in the explanatory power compared to the cumulative aspects of transformational and transactional leadership styles. It was evident from the results that leaders need to pay attention to each driver of strategic leadership in the organization. Specifically, transformational leadership was a significant positive predictor of organizational performance while transactional leadership was a negative predictor on organizational performance. The standardized beta coefficients still showed that transformational leadership (intellectual

stimulation) was the only significant positive predictor of organizational performance. The null hypothesis ($H0_3$) which states that the combined effect of strategic leadership (transformational and transactional leadership) does not have a statistically significant effect on organizational performance in Kenyan universities is rejected and the alternative hypothesis accepted.

The fourth objective of the study sought to determine the effect of strategic leadership on organizational change. The corresponding hypothesis ($H0_4$) strategic leadership does not have statistically significant effect on organizational change in Kenyan universities. The regression results showed that the model was significant and both transactional and transformational leadership explain 30.2% of the variations in organizational change. Further, multiple regression analysis was carried out to determine the effect of the dimensions of strategic leadership styles on organizational change. The results indicated an improved model where the dimensions of strategic leadership explain 36.7% of the variation in organizational change. It was evident from the results that leaders need to pay attention to each driver of strategic leadership in the organization. Specifically, transformational leadership was a significant positive predictor of organizational change while transactional leadership was an insignificant negative predictor of organizational change. The standardized beta coefficients still showed that transformational leadership (intellectual stimulation) was the only leadership style with a significant positive influence on organizational change. The result therefore failed to support the null hypothesis and the alternative thus accepted.

The fifth objective of the study was to determine the effect of organizational change on organizational performance. The corresponding null ($H0_5$) hypothesis that organizational change does not have statistically significant effect on organizational performance in Kenyan universities was first tested using simple regression analysis. The regression results indicated that organizational change in Kenyan Universities contributed to (30.1%) of the changes in organizational performance in Kenyan universities. Specifically, organizational change has a positive and significant influence on the performance of the universities. Multiple regression analysis was further carried out to determine the effect of the individual aspects of dimensions of organizational change on organizational performance and the results confirmed the previous results of the cumulative aspects which jointly contributed 38.6% of the variations in organizational performance hence they better explain the changes in performance if regressed together as individuals rather than regressing the cumulative/lumped organizational change aspects. Additionally, it is important for the leaders to pay attention to

each driver of change in the organization. Specifically, strategic orientation and technology are the most important organizational change tools to facilitate the organizational performance of the Kenyan universities. The results failed to support the null hypothesis and the alterative hypothesis which states that organizational change has a statistically significant effect on organizational performance in Kenyan universities is supported.

The last objective of this study was to determine the moderating effect of organizational change on the relationship between strategic leadership and organizational performance in Kenyan universities. The respective hypothesis was organizational change has no statistically significant moderating influence on the relationship between strategic leadership and organizational performance in Kenyan universities. Hierarchical regression analysis was applied to test this hypothesis and the results indicated that transformational leadership predicted variance in organizational performance of the universities (R square=0.155). Interacting transformational leadership with transactional leadership increased the predictive power of the model to 38.9%. In the third model, the moderating role of organizational change is strongly revealed signifying the crucial role of organizational change in the performance of the Kenyan Universities. The scrutiny of the standardized beta coefficients in the first model revealed that transformational leadership significantly explained the changes in organizational performance. In the second model, transactional leadership improved the model further and it also significantly explains the variations in organizational performance but with a negative influence. In the last model, the moderating role of organizational change on the relationship between leadership and organizational performance was positive and significant. Thus the null hypothesis that organizational change has no statistically significant moderating influence on the relationship between strategic leadership and organizational performance in Kenyan universities is rejected and the alternative hypothesis is accepted.

5.3 Conclusions

The findings of this study generally contribute significantly to the body of leadership literature by determining the extent to which leadership styles of Kenyan universities influence performance. The purpose of this study was to specifically determine the effect of strategic leadership and organizational change on organizational performance in Kenyan universities. Specifically, the study determined the independent and combined effect of strategic leadership dimensions (transformational and transactional) on organizational performance in Kenyan Universities. It also determined the extent to which organizational change affected the relationship between strategic leadership and organizational performance

of senior management in universities in Kenya. The findings of the study yielded the following conclusions:

First, transformational leadership has a positive effect on organizational performance in Kenyan chartered universities. Hence, the ability of leaders to employ aspects of transformational leadership will yield a positive influence on organizational performance. However, Intellectual stimulation influenced organizational performance the most. Hence, the ability of leaders to employ aspects of transformational leadership with more emphasis on intellectual stimulation in their leadership by encouraging creativity without criticizing employees on individual mistakes and soliciting new ideas of solving a problem will play a crucial role in performance of Kenyan universities.

Second, Transactional leadership significantly and negatively affected organizational performance in Kenyan universities. This means that university management which focuses on a transactional relationship with their subjects will eventually achieve less in terms of performance. It is also important to note that the relationship between transactional leadership and organizational performance in the Kenyan universities is quite weak. The reward system motivates employees to work hard to achieve the set objectives with the hope of receiving a reward. On the Contrary, management by exception passive has a negative effect on performance of Kenyan universities. This aspect involves reacting to problems if serious and avoiding making major decisions, absence at crucial moments, and delay in responding to enquiries. Here the leader does not take prudent measures while managing the organization hence a negative predictor of effective performance.

Third, the results showed that the combined effect of strategic leadership (transformational and transactional leadership) influenced organizational performance of Kenyan universities. Specifically, transformational leadership had a positive influence on the performance while transactional leadership had a negative and significant effect on performance of universities. This implies that transformational leaders may possibly achieve higher performance compared to transactional leaders.

Fourth, the results showed that there was a significant effect of strategic leadership on organizational change. Specifically, the results indicated a positive and significant influence of strategic leadership on organizational change. Transformational leadership was strong

significant positive predictor of organizational change unlike transactional leadership which was an insignificant negative predictor. The results thus showed that managers need to put into consideration the aspects of transformational leadership to manage change in Kenyan Universities. The results indicated an improved model where the dimensions of strategic leadership explain a positive variation in organizational change. Intellectual stimulation still turned out to be the most important aspect of transformational leadership that managers need to put into consideration to manage change in Kenyan Universities.

Fifth, the results indicated that organizational change in Kenyan Universities contributed to the changes in organizational performance. Additionally, it is important for the leaders to pay attention to all drivers of organizational change in the organization as they are important organizational change tools to facilitate the organizational performance of the Kenyan universities. Consequently, the individual dimensions of organizational change regressed on organizational performance indicated an improvement in the model with an upward shift in the R square. This implies that using the individual change drivers explain the variance in performance better than lumping them together. Additionally, it is important for the leaders to pay attention to each driver of organizational change in the organization. Specifically, strategic orientation and technology are the most important organizational change tools to facilitate the organizational performance of the Kenyan universities.

Sixth, the results indicated a positive moderating effect of organizational change on the relationship between strategic leadership and organizational performance in Kenyan universities. The results indicated that transformational leadership predicted variance in organizational performance of the universities and when transformational leadership are interacted with transactional leadership, the predictive power increased. The role of organizational change in the relationship between strategic leadership and organizational performance is revealed and therefore the respondents should pay attention to initiating change in their leadership to achieve better performance.

5.4 Recommendations

The findings and conclusions of the study yielded the following recommendations that may be considered to improve organizational performance in institutions of higher learning.

First, transformational leadership has a positive effect on organizational performance in Kenyan chartered universities. Top management should pay more attention to transformational leadership to augment the performance of the institution. Intellectual

stimulation aspect of transformational leadership which influenced organizational performance the most to be put more emphasis as it plays a crucial role in performance of Kenyan universities.

Second, Transactional leadership significantly and negatively affected organizational performance in Kenyan universities. Leaders to take prudent measures when employing transactional leadership to pay more attention to contingent reward aspect which leads to organizational performance.

Third, the results showed that the combined effect of strategic leadership (transformational and transactional leadership) influenced organizational performance of Kenyan universities. Leaders to take due regard to transformational leadership when combined with transactional leadership

Specifically, transformational leadership had a positive influence on the performance while transactional leadership had a negative and significant effect on performance of universities. This implies that transformational leaders may possibly achieve higher performance compared to transactional leaders as it is associated with higher performance.

Fourth, the results showed that there was a significant effect of strategic leadership on organizational change. Leaders to employ transformational leadership aspect of strategic leadership with higher predictive influence on organizational change in Kenyan universities. Intellectual stimulation aspect still turned out to be the most important aspect of transformational leadership that managers need to put into consideration in managements of institutions of higher learning.

Fifth, the results indicated that organizational change in Kenyan Universities contributed to the changes in organizational performance. Leaders to pay attention to all drivers of organizational change in the organization as they are important organizational change tools to facilitate the organizational performance of the Kenyan universities. It is also important for the leaders to pay attention to each driver of change in the organization. Specifically, strategic orientation and technology as they are the most important organizational change tools to facilitate the organizational performance of the Kenyan universities.

Sixth, the results indicated a positive moderating effect of organizational change on the relationship between strategic leadership and organizational performance in Kenyan universities. The role of organizational change in the relationship between strategic

leadership and organizational performance is revealed and therefore the leaders should pay attention to initiating change in their leadership to achieve better performance.

5.4.1 Implications of the Research Findings and Recommendations

The study was based on the theories; Upper Echelon Leadership, Transformational Leadership and Path-Goal Leadership to determine the effect of transformational leadership on organizational performance; determine the effect of transactional leadership on organizational performance, determine the combined effect of dimensions of strategic leadership (transformational and transactional) on organizational performance; determine the effect of strategic leadership on organizational change, determine the effect of organizational change on organizational performance and to establish the moderating effect of organizational change in the relationship between strategic leadership and organizational performance. The findings of the study conducted among 124 respondents team (Vice Chancellors and Deputy vice Chancellors) of Kenyan chartered universities have various implications as explained.

5.4.2 Implications for the Theories

The study found that the combined effect of strategic leadership (transformational and transactional leadership) influenced organizational performance of Kenyan universities. This finding supports the arguments in the upper echelons theory that the demographic characteristics of the leader responsible for strategic leadership practices were found to be important as they influence the leaders' behaviour and subsequently organizational performance.

The study further revealed that transformational leadership has a statistically significant effect on organizational performance in Kenyan chartered universities. The findings confirmed that strategic leadership components emerged as the contributing factor and play important roles in enhancing organizational performance in Kenyan universities. This is in line with the transformational leadership theory which argues that transformational leadership positively influences organizational performance and that it provides important aspects of strategic leadership practices like concern for human capital which is found to influence positively on organizational performance.

Further, the finding that transactional leadership affects organizational performance in Kenyan universities is in line with the path-goal leadership theory. The theory argues that followers are motivated in a task by the belief that their efforts result in a certain outcome.

The implication of the theory is that the leader has the responsibility to motivate followers by rewarding performance and goal accomplishment as both are result oriented.

An integrated model that examined the combined effect of three variables; strategic leadership, organizational change on organizational performance was adopted in this study. The combined effect of strategic leadership (transformational and transactional leadership) influenced organizational performance of Kenyan universities. Specifically, transformational leadership has a positive influence on the performance while management by exception active aspect of transactional leadership has a positive significant effect on performance of universities. This implies that an integration of the aspects of the two dimensions will lead to higher organizational outcomes.

5.4.3 Implications for Management Policy and Practice

The study has implications to management policy and practice. First, the study confirmed a positive effect of strategic leadership on organizational performance. This implies that relevant leadership approaches of transformational and transactional styles are essential for performance in a university set up. Thus, in order to encourage good governance in universities, top university managers should be required to have undertaken short executive courses in strategic leadership so as to equip them with relevant knowledge to govern the university.

Second, the study reveals that organizational change has a positive moderating effect on the relationship between strategic leadership and organizational performance. This implies that there is need to embrace change in management. This follows the fact the universities exist in a very dynamic environment faced with competition. This will assist them in adapting to the changes and using them to attain a competitive edge over their competitors. In addition, CUE to ensure that academic programmes are reviewed from time to time to ensure that all approved programmes are demanded by the market.

5.5 Recommendations for Further Research

This study contributes to the understanding of the relationship between strategic leadership and organizational performance and the moderating effect of organizational change in the relationship. Further, the scope of the study can be widened to include lower management teams such as Deans of Faculty and Directors of various directorates to solicit their views on this important subject.

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APPENDICES

Appendix I: Letter of Introduction

Dear Sir/Madam,

I am Chepkurgat, Rael, a post-graduate student at Egerton University pursuing a Doctor of Philosophy in Business and Management degree of Egerton University. I am conducting a research entitled “The Effect of Strategic leadership and organizational change on Organizational performance in chartered universities in Kenya”.

The purpose of this letter is to request you to provide your responses to the questionnaire on various aspects of leadership, change and performance at your University. Your views are considered important to this study. The questionnaire has been designed in a series of statements where your views can be shown by putting a tick in the appropriate box. The questionnaire is purely for academic purposes and you are assured that your response will be treated with utmost confidentiality.

Kindly answer the questions as candidly as you can.

Thank you.

Chepkurgat Rael

Appendix II: Research Questionnaire

The questionnaire is divided into various sections in order to cover the various objectives of the research. Please answer the questions as precisely as possible. Feel free to seek further clarification on the questionnaire.

SECTION ONE: BIO-DATA.

1. **Gender***(Please tick)*:
   Male ☐ Female ☐
2. **Age:**
   Below 40 ☐ 41 – 49 ☐ 50 – 59 ☐ 60 and above ☐
3. **Marital status:**
   Single ☐ Married ☐ Other *(Please specify)*:_____
4. **Position in management:**
   Vice Chancellor ☐ Deputy Vice Chancellor ☐
5. **How many years of university service do you have?**
   Below 5 years ☐ 5 – 10years ☐ 1 – 15 years ☐ 16 years and above ☐
6. **How many years have you held your current position?**
   Below 1 year ☐ 1 – 5years ☐ 6–10 years ☐ 11 years and above ☐

SECTION TWO: STRATEGIC LEADERSHIP

a) Transformational Leadership

Please indicate your perception of your leadership style, using a 5-point Likert scale by ticking the appropriate boxes. Kindly answer all the statements. Use the scale as shown below:

Not at All	Rarely	Sometimes	Most of the time	Always
1	2	3	4	5

The top leadership in this university:

	Idealized Influence (Attitudes)	**1**	**2**	**3**	**4**	**5**
7	Instills pride in others for being associated with them	1	2	3	4	5
8	Acts in ways that builds other's respect for them	1	2	3	4	5
9	Goes beyond self-interest for the good of the university	1	2	3	4	5
10	Talks optimistically about the future	1	2	3	4	5
11	Talks about the most important values and beliefs	1	2	3	4	5
12	Seeks differing perspectives when solving problems	1	2	3	4	5
	Idealized Influence					
13	Talks about most important values and beliefs of the university	1	2	3	4	5
14	Emphasizes the importance of having a strong sense of purpose	1	2	3	4	5
15	Considers the moral and ethical consequences of decisions	1	2	3	4	5
16	Emphasizes the importance of having a collective sense of mission	1	2	3	4	5
	Inspirational Motivation					
17	Talks optimistically about the future	1	2	3	4	5
18	Talks enthusiastically about what needs to be accomplished	1	2	3	4	5
19	Articulates a compelling vision of the future	1	2	3	4	5
20	Expresses confidence that goals will be achieved	1	2	3	4	5
	Intellectual Stimulation					
21	Re-examines critical assumptions for appropriateness	1	2	3	4	5
22	Seeks differing perspectives when solving problems	1	2	3	4	5
23	Gets others look at problems from many different angles	1	2	3	4	5
24	Suggests new ways of looking at how to complete assignments	1	2	3	4	5
	Individualized Consideration					
25	Spends time teaching and coaching employees	1	2	3	4	5

26	Treats others as an individual rather than just as a member of a group	1	2	3	4	5
27	Considers an individual as having different needs, abilities, and aspirations from others	1	2	3	4	5
28	Assist employees to develop their strengths	1	2	3	4	5

b) Transactional leadership

	Contingent reward	**1**	**2**	**3**	**4**	**5**
29	Informs subordinates what to do if they want to be rewarded for my efforts	1	2	3	4	5
30	Uses punishment to reinforce expected behaviour	1	2	3	4	5
31	Negotiates with employees about rewards from what they can accomplish	1	2	3	4	5
32	Provides adequate award when employees achieve performance goals.	1	2	3	4	5
33	Seeks differing perspectives when solving problems	1	2	3	4	5
34	Appreciate good work	1	2	3	4	5
	Management by exception-active					
35	Focuses on employees mistakes	1	2	3	4	5
36	Proactive in university operations	1	2	3	4	5
37	Tracks their mistakes	1	2	3	4	5
38	Concentrates on their failures	1	2	3	4	5
39	Seeks no opinion for employees than what is absolutely essential to get the work done	1	2	3	4	5
40	Encourages employees to take initiatives	1	2	3	4	5
	Management by exception-passive	**1**	**2**	**3**	**4**	**5**
41	React to problems if serious	1	2	3	4	5
42	Avoids involvement	1	2	3	4	5
43	Reacts to problems if chronic	1	2	3	4	5
44	Absents themselves when needed	1	2	3	4	5
45	Avoids deciding	1	2	3	4	5
46	Delays responding	1	2	3	4	5

SECTION THREE: ORGANIZATIONAL CHANGE

Please indicate the extent to which you have made changes in the following aspects of organizational change for the last three years. Kindly answer all the statements. Use the scales as shown below:

Organizational change in this university has led to:

Not at all 1	To a little extent 2	Moderate extent 3	Great extent 4	Very great extent 5

	Structure	**1**	**2**	**3**	**4**	**5**
47	Centralization of decision making	1	2	3	4	5
48	Increased coordination of activities	1	2	3	4	5
49	Increased reporting relationships	1	2	3	4	5
50	Increase clarity in reporting lines	1	2	3	4	5
51	Increased trust in the university	1	2	3	4	5
52	Reduction in corruption	1	2	3	4	5
53	Improved provision of tools and equipment for work	1	2	3	4	5
	Strategic Orientation	**1**	**2**	**3**	**4**	**5**
54	Increased course variety	1	2	3	4	5
55	Increased local market coverage	1	2	3	4	5
	Increased international market coverage	1	2	3	4	5
56	Increased diversification in other products/services besides education and research	1	2	3	4	5

	Technology	**1**	**2**	**3**	**4**	**5**
57	Reduced repetitive tasks	1	2	3	4	5
58	Simplified students registration procedures	1	2	3	4	5
59	Increased accuracy and speed of data capturing	1	2	3	4	5
60	Increased in the storage of data	1	2	3	4	5
61	Increased speed in retrieval of information	1	2	3	4	5
62	Reduce traffic in the university offices	1	2	3	4	5
	People Behaviour	**1**	**2**	**3**	**4**	**5**
63	Professionalism while attending to clients	1	2	3	4	5
64	Motivated staff	1	2	3	4	5
65	The leadership provides sufficient corporate direction	1	2	3	4	5
66	Increased sense of trust in the organization	1	2	3	4	5
67	Employee health initiatives to avoid stress and burnout	1	2	3	4	5
	Organizational Communication	**1**	**2**	**3**	**4**	**5**
68	Satisfied customers from good services	1	2	3	4	5
69	Increased flow of information	1	2	3	4	5
70	Improved innovation and creativity	1	2	3	4	5
71	Improved operational efficiency	1	2	3	4	5

Section IV: Level of Organizational Performance

Please evaluate the performance of your institution over the previous three years by indicating the extent of changes in the following by ticking a response for each item.

Very much Decreased (VMD)	Decreased (D)	Constant (C)	Increased (I)	Very much Increased (VMI)
1	2	3	4	5

Organizational performance		1	2	3	4	5
72	Number of students enrolled:	1	2	3	4	5
73	Number of students graduating	1	2	3	4	5
74	Number of academic programmes: Diploma	1	2	3	4	5
	Degree	1	2	3	4	5
	Masters	1	2	3	4	5
	PhD	1	2	3	4	5
75	Number of student retention	1	2	3	4	5
76	Ratio of the number of full-time Student/ academic staff	1	2	3	4	5
77	Amount of income from fees collections	1	2	3	4	5
78	Number of research papers published in refereed journals	1	2	3	4	5
79	Amount of research funds granted	1	2	3	4	5
80	Number of formal agreements the university has in research (MoU)	1	2	3	4	5
81	The number of researchers in research	1	2	3	4	5

	council and editorial boards in journals					
82	Number of innovations in the institution	1	2	3	4	5
83	Number of employees in the institution Professors	1	2	3	4	5
	Associate professors	1	2	3	4	5
	Lecturers	1	2	3	4	5
	Non-teaching staff	1	2	3	4	5
84	Amount of investment on staff development and training	1	2	3	4	5
85	Amount of investment on infrastructure	1	2	3	4	5

Thank you for your participation in this study

Appendix III: List of Kenyan Chartered Universities

S/No	University
1	University of Nairobi (UoN)
2.	Moi University (MU)
3.	Kenyatta University (KU)
4.	Egerton University (EU)
5.	Jomo Kenyatta University of Agriculture and Technology (JKUAT)
6.	Maseno University (Maseno)
7.	Dedan Kimathi University of Technology
8.	Chuka University
9.	Technical University of Kenya
10.	Cooperative University of Kenya
11	Kisii University
12	Masinde Muliro University of Science and Technology (MMUST)
13	Maasai Mara University
14.	South Eastern Kenya University
15.	University of Eldoret
16.	Technical University of Mombasa
17.	Jaramogi Oginga Odinga University of Science and Technology
18.	Laikipia University
19.	University of Kabianga
20.	Muranga University of Technology
21.	Karatina University
22.	Kibabii University
23	Meru University of Science and Technology

24	University of Embu
25	Taita Taveta University
26	Machakos University
27	Kirinyaga University
Private Chartered University	
28	Catholic University of Eastern Africa (CUEA)
29.	Daystar University
30.	Scott Christian University
31.	United States International University
32.	St. Paul's University
33.	Pan Africa Christian University
34.	Africa International University
35.	Kenya Highlands Evangelical University
36.	Africa Nazarene University
37.	Kenya Methodist University
38.	Strathmore University
39.	Kabarak University
40.	KCA University
41.	Mount Kenya University
42.	Adventist University of Africa
43	KAG – EAST University

Source: Commission of University Education, 2017

Appendix IV: Universities' Senior Management

S/No	CHARTERED UNIVERSITY	NO. OF SENIOR MANAGEMENT MEMBERS	RESPECTIVE TITLES
1	Nairobi University	5	Vice Chancellor DVC (Academics) DVC (Research and Innovation) DVC (International and Advancement) DVC (Administration and Human Resources)
2	Moi University	5	Vice Chancellor DVC (Academics Research and Extensions) DVC (Administration Planning and Development) DVC (Students Affairs) DVC (Finance)
3	Kenyatta University	5	Vice Chancellor DVC (Administration) DVC (Academics) DVC (Finance and Development) DVC (Research Innovation and Outreach)
4	Jomo Kenyatta University of Agriculture and Technology	5	Vice Chancellor DVC (Administration) DVC (Academic Affairs) DVC (Finance) DVC (Research Production and Extension)
5	Egerton University	4	Vice Chancellor DVC (Academic Affairs) DVC (Research and Extension) DVC (Administration and Finance)
6	Maseno University	4	Vice Chancellor DVC (Partnership Research and

			Innovation) DVC (Academic and Student Affairs) DVC (Administration, Finance and Development)
7	Dedan Kimathi University of Technology	3	Vice Chancellor DVC (Research and Extension) DVC (Academic Affairs)
8	Chuka University	4	Vice Chancellor DVC (Academic, Research and Student Affairs) DVC (Administration, Finance, Planning and Development)
9	Technical University of Kenya	4	Vice Chancellor DVC (Academic, Academic, Planning and Infrastructure) DVC (Technology, Innovation and Partnerships) DVC (Academic, Research and Students)
10	Technical University of Mombasa	3	Vice Chancellor DVC (Administration, Finance and Planning) DVC (Academic, Research and Extension)
11	Kisii University	2	Vice Chancellor DVC (Academic and Planning)
12	Masinde Muliro University of Science and Technology (MMUST)	4	Vice Chancellor DVC (Planning and Student Studies) DVC (Administration and Finance) DVC (Planning, Extension and Research)
13	Maasai Mara University	4	Vice Chancellor DVC (Administration, Finance and Planning) DVC (Academic, Research and Student Affairs)

			DVC (Planning, Extension and Research)
14	South Eastern Kenya University	3	Vice Chancellor DVC (Finance, Planning and Development) DVC (Academic, Research and Student Affairs)
15	KAG – EAST University	2	Vice Chancellor DVC (Academic, Research and Development)
16	Jaramogi Oginga Odinga University of Science and Technology	4	Vice Chancellor DVC (Planning, Administration and Finance) DVC (Academic Affairs DVC (Research, Innovation and Outreach)
17	University of Eldoret	3	Vice Chancellor DVC (Finance) DVC (Academic Affairs)
18	Laikipia University	3	Vice Chancellor DVC (Administration and Finance and Development) DVC (Academic Affairs)
19	University of Kabianga	4	Vice Chancellor DVC (Planning, Research and Development) DVC (Academic and Student Affairs DVC (Administration and Finance)
20	Kibabii University	4	Vice Chancellor DVC (Planning, Research and Innovation) DVC (Administration, Finance and Development DVC (Academic and Student Affairs)
21	Karatina University	3	Vice Chancellor DVC (Administration and Finance)

			DVC (Academic Affairs
22	Baraton University	4	Vice Chancellor DVC (Academics) DVC (Finance) DVC (Student Affairs and Services)
23	Mount Kenya University	4	Vice Chancellor DVC (Administration Planning and Institutional Advancement) DVC (Academic and Research Affairs) DVC (Student Welfare Alumni and Marketing Affairs)
24	Catholic University of East Africa	3	Vice Chancellor DVC (Administration Finance and Planning) DVC (Academic Affairs and Research)
25	Daystar University	3	Vice Chancellor DVC (Academics) DVC (Finance and Administration)
26	United States International University	3	Vice Chancellor DVC (Academics) DVC (Finance)
27	Kenya Methodist University	3	Vice Chancellor DVC (Academics) DVC (Administration and Finance)
28	Kabarak University	3	Vice Chancellor DVC (Academic and Research) DVC (Administration and Finance)
29	Strathmore University	3	Vice Chancellor DVC (Academic and Student Affairs) DVC (Research)
30	African International University	3	Vice Chancellor DVC (Academic Affairs) DVC (Academics and Research)

31	African Nazarene University	2	Vice Chancellor DVC (Academics)
32	Scott Christian University	3	Vice Chancellor DVC (Academic Affairs) DVC (Finance and Administration)
33	KCA University	4	Vice Chancellor DVC (Academic Affairs, Enrolment Management and Student Affairs) DVC (Resource Management, ICT and Distance Learning) DVC (Innovation and Strategic Partnerships
34	St. Pauls University	2	Vice Chancellor DVC (Academic Affairs)
35	Kenya Highlands Evangelical University	2	Vice Chancellor DVC (Academic Affairs)
36	Adventist University of Africa	3	Vice Chancellor DVC (Academics) DVC (Finance)
37	Cooperative University of Kenya	4	Vice Chancellor DVC (Academics Affairs) DVC (Finance and Administration) DVC (Research and Innovation)
38	Murang'a University of Technology	4	Vice Chancellor DVC (Finance, Planning, Administration) DVC (Academic and Student Affairs DVC (Administration and Finance)
39	Meru University of Science and Technology	4	Vice Chancellor DVC (Academics and Student Studies) DVC (Administration and Finance) DVC (Planning, Extension and Research)

40	University of Embu	3	Vice Chancellor DVC (Academics, Research and Extension) DVC (Planning, Administration and Finance)
41	Taita Taveta University	3	Vice Chancellor DVC (Administration and Finance and Planning) DVC (Academic Affairs
42	Machakos University	4	Vice Chancellor DVC (Administration, Planning and Finance) DVC (Academic and Student Affairs) DVC (Research, Innovation and Linkages)
43	Kirinyaga University	3	Vice Chancellor DVC (Academics and Student Affairs) DVC (Finance and Administration)
	TOTAL	**146**	

Appendix V: Research Permit

CONDITIONS

1. The License is valid for the proposed research, research site specified period.
2. Both the Licence and any rights thereunder are non-transferable.
3. Upon request of the Commission, the Licensee shall submit a progress report.
4. The Licensee shall report to the County Director of Education and County Governor in the area of research before commencement of the research.
5. Excavation, filming and collection of specimens are subject to further permissions from relevant Government agencies.
6. This Licence does not give authority to transfer research materials.
7. The Licensee shall submit two (2) hard copies and upload a soft copy of their final report.
8. The Commission reserves the right to modify the conditions of this Licence including its cancellation without prior notice.

REPUBLIC OF KENYA

National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No.A 16763

CONDITIONS: see back page

THIS IS TO CERTIFY THAT:
MS. RAEL CHEPKURGAT
of EGERTON UNIVERSITY, 536-20115 Egerton,has been permitted to conduct research in *All Counties*

on the topic: *THE EFFECT OF STRATEGIC LEADERSHIP AND ORGANIZATIONAL CHANGE ON ORGANIZATIONAL PERFORMANCE IN KENYAN UNIVERSITIES*

for the period ending:
4th December,2018

Permit No : NACOSTI/P/17/48948/20285
Date Of Issue : 4th December,2017
Fee Recieved :Ksh 2000

.....
Applicant's Signature

.....
Director General
National Commission for Science, Technology & Innovation

Appendix VI: Research Authorization

NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION

Telephone: 020 400 7000,
0713 788787/0735404245
Fax: +254-20-318245,318249
Email: dg@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref No. **NACOSTI/P/17/48948/20285** Date: **4th December, 2017**

Rael Chepkurgat
Egerton University
P.O. Box 536-20115
EGERTON.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"The effect of strategic leadership and organizational change on organizational performance in Kenyan Universities"*** I am pleased to inform you that you have been authorized to undertake research in **all Counties** for the period ending **4th December, 2018.**

You are advised to report to **the County Commissioners and the County Directors of Education, all Counties** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

GP Kalerwa

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioners
All Counties.

The County Directors of Education
All Counties.

Appendix VII: Ethical Clearance Approval

EGERTON
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EGERTON

RESEARCH ETHICS REVIEW COMMITTEE

EU/RE/DVC/009 **31st July, 2018**
Approval No.EUREC/APP/071/2018

Chepkurgat Rael,
FERD,
P. O. Box 536-20115,
EGERTON

Dear Ms. Chepkurgat,

RE: INITIAL SUBMISSION – ETHICAL CLEARANCE APPROVAL OF THE STUDY

Reference is made to your application for Ethical Clearance of your Research Project entitled: '**The effect of Strategic Leadership and Organizational Change on Organizational Performance in Kenyan Universities**.

It was observed that you addressed all the ethical issues that were raised in a Committee Meeting held on **14th March, 2018** through your response dated **4th June, 2018**. The study is granted **Approval No.EUREC/APP/071/2018** for implementation effective **27th July, 2018**. Please note that authorization to conduct this study will automatically expire on **29th July, 2019.** Please further note that the Standard Operating Procedures (SOPs) requires that you submit progress reports twice in a year and a final report at the end of your study to the Committee.

Any unanticipated problems resulting from the implementation of this protocol should be brought to the attention of the Committee. You are also required to submit any proposed changes to this protocol prior to initiation and advise the Committee when the study is completed or discontinued.

Your proposal has therefore been approved for implementation. You are also required to obtain a Research permit from NACOSTI before commencement of your study.

Yours faithfully,

Prof. J. K. Kipkemboi
CHAIRMAN – RESEARCH ETHICS COMMITTEE

JKK/EWG/sam

cc. DVC (R&E) - To note the file copy

Appendix VIII: Permission to Collect Research Data

CHUKA UNIVERSITY

OFFICE OF THE VICE-CHANCELLOR

Telephones: 020 2310512/18
Direct line: 0612304004
Email: info@chuka.ac.ke
P.O. Box 109-60400, Chuka.
Website: www.chuka.ac.ke

Ref: CU/VC/ADMIN/25 **22nd January, 2018**

Rael Chepkurgat,
Egerton University,
P.O Box 536-20115,
Egerton.
0724038001.

Dear Ms. Chepkurgat,

REF: PERMISSION TO COLLECT RESEARCH DATA IN CHUKA UNIVERSITY

The above subject matter refers.

We acknowledge the receipt of your letter dated 11th December, 2017 requesting to collect data towards the completion of your doctoral thesis titled ***'The Effect of Strategic Leadership and organizational Change on Organizational Performance in Kenyan Universities'***. On behalf of the Vice-Chancellor, I am pleased to inform you that your request has been approved.

By a copy of this letter, you are therefore authorized to collect data from your target respondents who comprise of the Vice-Chancellor and Deputy Vice-Chancellors. Upon completion of the study, please submit a copy of your thesis to the Chuka University Library.

Yours Faithfully,

Immaculate Namulia
Senior Public Relations Officer
For: VICE-CHANCELLOR

Cc: Vice-Chancellor
DVC- A, R, S &A
DVC- A, F, P&D

Appendix IX: Summary of the Regression Test Results

Research hypothesis	Results	Conclusion
H_{O1}: Transformational leadership style does not have a statistically significant effect on organizational performance in Kenyan universities.	R^2 change = 0.111, positive effect of transformational leadership on organizational performance (β=0.333, p=0.000)	**H_01 Rejected**
$y = \beta_0 + \beta_1 x_1 + \varepsilon_i$		
Organizational Performance=22.448+ **0.333Transformative Leadership**		
H_{O2}: Transactional leadership style does not have a statistically significant effect on organizational performance in Kenyan universities.	R^2 change = 0.031, positive effect of transactional leadership on organizational performance (β=0.177, p=0.051)	**H_02 Rejected**
$y = \beta_0 + \beta_1 x_1 + \varepsilon_i$		
Organizational Performance=45.333+ **-0.177 Transactional Leadership**		
H_{O3}: Combined effects of transformational and transactional leadership have no statistically significant effect on organizational performance in Kenyan universities.	R^2 change = 0.156, positive effect of transformational and transactional leadership on organizational performance (β=0.355, p=0.000)	**H_03 Rejected**
$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \varepsilon_i$		
Organizational Performance=28.162+ **0.355Transformative Leadership + 0.213Transactional Leadership**		
H_{O4}: Strategic leadership does not have statistically significant effect on organizational change in Kenyan universities	R^2 change = 0.302, positive effect of strategic leadership on organizational change	**H_04 Rejected**

	(β=0.552, p=0.000)	

$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \varepsilon_i$

Organizational Change=16.953**+ 0.552Transformational Leadership + -0.065Transactional Leadership**

H_{O5}: Organizational change does not have statistically significant effect on organizational performance in Kenyan universities	R^2 change = 0.301, positive effect of transformational leadership on organizational performance (β=0.549, p=0.000)	**H_05 Rejected**

$y = \beta_0 + \beta_1 x_1 + \varepsilon_i$

Organizational Performance=17.645 + 0.549 Organizational Change

H_{O6}: Organizational change has no statistically significant moderating effects on the relationship between strategic leadership and organizational performance in Kenyan universities	Significant relationship between strategic leadership and organizational performance R^2=0.155, Transformational leadership (β=0.353, p=0.000) and Transactional leadership (β=-0.212, p=0.015) were significant predictors of organizational performanc e. Organizational change entered in step 2 (R^2 = 0.389	**H_06 Rejected**

$y = {}_0 + {}_1 x_1 + {}_2 x_2 + £_i$

Step 1: Organizational Performance=56.163+ **0.353Transformatitional Leadership** + **-0.212Transactional Leadership**

$y = {}_0 + {}_1 x_1 + {}_2 x_2 + {}_3 x_1 x_2 x_3 + £_i$

Step 2: Organizational Performance=69.626-1.057**Transformational Leadership** +1.246 **Transactional Leadership + 0.570 Organizational Change**