

**STRATEGIC LEADERSHIP AND ORGANIZATIONAL PERFORMANCE OF
TEA ESTATE COMPANIES IN NANDI COUNTY, KENYA**

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DECLARATION

This research project is my original work and has never been presented for the award of any degree in any University.

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This project is submitted for examination with my approval as the University supervisor.

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DEDICATION

This work is dedicated to my parents Ahmed Abdullahi and Fatuma Mohammed for their encouragement. It is also dedicated to my brothers Rashid Ahmed and Hussein Ahmed, Sisters Kamilo Ahmed and Habiba Ahmed and my classmates Allan Wachira and Kiplangat Kemboi for their unwavering support.

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OPERATIONAL DEFINITION OF TERMS

Efficiency	It is the ability of the managers of tea estates companies to optimally use the resources of the company without unnecessary wastage.
Inspirational leadership	It refers to the ability of the manager to guide juniors, motivating, having proper career development procedures and also appraising the workers regularly.
Managerial leadership	These are leadership styles, experience, team work, and training of managers and also use of resources for the benefit of the organization.
Organizational performance	Performance is measured in terms of sufficient production of output, employee turnover, internal operations and efficiency in carrying out daily operations of the organization.
Production	This is the amount of output produced by tea estates companies in Nandi County.
Strategic leadership	Refers to the ability of the manager of a tea estate to use visionary Managerial, inspirational and transformational aspects of leadership for the success of the organization
Transformational leadership	Is a situation of leadership style in the organization
Visionary leadership	It is the goals, objectives, mission and vision statement, new product development and commitment of employees.

ABBREVIATIONS AND ACRONYMS

GDP Gross Domestic Product

KTDA Kenya Tea Development Authority

SPSS Statistical Package for Social Science

TBK Tea Board of Kenya

ABSTRACT

Organizational performance is imperative to survival of any organization. Poor performance institutions face difficulties in carrying out its daily activities. The tea industry is faced with a lot of challenges that threaten its survival. These challenges include competition, changing customer tastes and preferences, efficiency in utilization of resources and also employee dissatisfaction. The study sought to examine the effect of strategic leadership on organisational performance of tea estate companies in Nandi County. It was guided by the following objectives; to establish the effect of visionary leadership, to examine the role of managerial leadership, to investigate the influence of inspirational leadership and to establish the effect of transformational leadership on organizational performance of tea estate companies in Nandi County, Kenya. The research used Hertzberg's two factor theory, the Transformational leadership theory and Path goal theory of leadership. The study is beneficial to policymakers in the Kenyan tea subsector. It provides information on approaches and how to improve performance of tea estate companies in Kenya. The findings of the study enables the government appreciates the importance of visionary, managerial, inspirational and transformational leadership aspects in the tea sector in promoting production and efficiency which help the country expand its production capabilities. The management of the tea subsector benefits from the findings of the study. Descriptive research design was used with target population of nineteen (19) tea estates. The study stratified the target population into 19 top level managers, 38 middle level managers and 57 bottom level managers and simple random sampling techniques was used. The sample size of 36 respondents was therefore selected and 32 of the respondents filed and return questionnaire representing and a response rate was 89% which was adequate to continue with data analysis. The data was collected using closed and open-ended questionnaires whose reliability and validity was determined. The study concluded that strategic leadership affects organizational performance contributing to 82.2% The study found out that the most significant factor in influencing performance in Tea estate companies in. Nandi County is visionary leadership, followed by inspirational leadership, transformational leadership and managerial leadership respectively.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to Farkus and Backer (1996) strategic leadership qualities are essential for any manager and many other leaders. Thus the leaders need to understand the markets they are dealing with, the products that can win in those markets in terms of quality and quality, resources available, understand the interests of different company's sections or divisions, handling change when the company is performing well and when it's not, how to use power and accountability and coming up with an active management team of various abilities and benefits. Incentive is significant in improving the performance of employees, thus resulting to increased productivity of the employees. It is therefore essential for inspiration and motivation of the employees in a company to be boosted for productivity to increase (Ibrahim, 1989).

Therefore strategic leaders formulate the organization's goals and strategies. There are three leadership styles in the high-ranking management team that is the visionary leadership style, the managerial style and when you combine the best traits of the two you get the strategic leadership style. Thus the management of tea estate companies in Nandi County needs to have the strategic leadership skills in order for the companies to achieve the output desired in the goals and objectives of the companies.

1.1.1 Organizational Performance

Performance is defined as the capacity of a firm to execute its activities in an effective and efficient way, thereby fulfilling an entitlement. Thus performance is measured in

terms of internal procedures and processes, sufficient production of output, efficiency in carrying out daily operations of the organization, organizational arrangements, individual attitudes and the responsiveness of the company to the situation among others. The performance of an employee and the whole organization are influenced mainly by its leadership (Wang, Law, Hackett, Wang and Chen, 2005). Organizational performance encompasses the real output of an institution compared with the set goals and objectives. Thus performance is how good the resources of a firm are being utilized. Performance can also be taken as the execution of a given duty measured against known values of correctness, completeness, speed and cost. The completion of a project in a contract that releases the contractor from the obligation is also taken as performance.

Yip and Johnson (2009) argue that, there are three specific areas that comprise organizational performance of a company, that is financial performance that includes profits, return on assets and return on investment, product market performance that includes sales and market share and also shareholder return which is total shareholder return and value addition. Currently, many organizations use balance scorecard methodology to measure organizational performance. This is whereby performance is traced and measured in different dimensions such as customer service, social responsibilities like community outreach, financial performance that is shareholder return and employee stewardship. Another method of measuring organizational performance that is commonly used is performance contracting. It is whereby expectations of an activity are defined that is the work, the results to be achieved, the attributes and capabilities required to achieve the results.

Armstrong (1994) claims that performance contracting detects the processes used to monitor, review and assess performance. There are monetary and non-monetary factors used to measure the success of organizations. The study will focus on production, internal operations, employee turnover and efficiency in the tea estate companies in Nandi County, Kenya. Efficiency is defined as the rate at which a company minimizes the cost of resources that is required to complete an operation. In the process of production of goods and services different types of costs are involved which include paying off workers, purchase of raw materials, supplies cost, energy cost, purchase of inventories, shipping, marketing of the products, subcontractors, and consultants cost (Yukl and Lepsinger, 2004). For there to be efficiency there should be reliability which is the extent to which an activity is carried out without errors or delays. The main indicators of efficiency include the costs as a proportion of revenues, costs relative to those of competing organizations and employee productivity relative to labour costs.

Efficiency can be enhanced in many different ways, these includes using of new technology in production, reducing extra stock, redesigning work processes, giving jobs to other countries that have low wage rate thereby reducing the cost of labour, reducing the cost of energy. Efficiency is achieved by strict adherence to the set rules and procedures of carrying out activities of the company, closely monitoring the costs involved in production, ensuring responsible use of resources, having relevant cultural values, including the desirability of reliability, meeting deadlines and also ensuring error-free performance (Miron, Erez and Naveh, 2004).

Therefore for the products from the tea estates in Nandi County to remain competitive in the market and attract new customers and thus resulting to better organizational

performance, leadership of the companies needs to be effective in making critical decisions concerning the company. This means that the management should focus on restructuring the work process, embracing the use of new technology, decreasing the cost of labour, reducing cost of materials used in production and also reducing excess stock. All this can be achieved by a strategic leader since he or she will ensure responsible use of resources, error-free performance, meeting deadlines and also adherence to rules and procedures. Organisational performance was conceptualized in terms of production efficiency and internal operations

1.1.2 Strategic Leadership

Azhar, Ikram, Rashid and Saqib (2013) argue that strategy selection and the style of its implementation define organizational performance, which is influenced to a large magnitude by the characteristics of leadership and specifically strategic leadership of an organization. There should be effective strategic leadership for a company to manage superior performance, otherwise, the company would not be able to achieve or sustain competitive advantage and thus restraining superior performance (Elenkov, Judge and Wright, 2005). Some of the important issues facing tea companies today are strategic leadership.

Strategic leader is one who wisely considers available options and positions the enterprise for growth by taking action. This leadership style is self-motivated by nature. A strategic leader shines in decision making. Therefore an important skill for any leader is the capability to see the details of a condition and find the best possible solution. Strategic leadership is defined as the capacity to expect and foresee the yet to come, uphold

flexibility, reason strategically and initiate changes that will create a competitive advantage for the organization in the future. Rowe (2001) defined strategic leader as a manager who is able to bond or connect with other employees and focuses on result. A strategic leader also knows when to take planned risks that will promote the objectives of the company. Strategic managers always make a plan in order to set guidelines for the organization.

According to Rowe (ibid) strategic leader is moderately rare. It is a combination of the best traits of a visionary and a managerial leader. They can easily balance the new short term financial and operational wants of the organization with the longer term strategic opportunities that may be presented. They incorporate the vision, inspiration and invention that are needed for long term achievement with the operational focus and understanding that maintains organizational stability. As a result strategic leaders generate the most wealth in the organization since they have the capability to balance the short term and long term strategic requirements of the organization. A good example of a strategic leader is Steve Jobs of Apple. He combined vision, inspiration, strong managerial, creativity and energy to prosper in his business.

In the field of organizational behaviour, leadership has been well-known as an important subject. It is one of the most vibrant effects during individual and organizational interaction. Therefore, leadership competence depends on the capability of management to achieve “collaborated effort”. Gao and Bordows (2009) explains that subordinate’s potential to improve efficiency and also meeting their desires in the process of attaining organizational goals is influenced by an outstanding leader. In a quickly changing world, Bovaird (2007) conclude that societies need strategic leadership to help bring together

several local agencies and groups in order to build a vision and how to respond and address hitches.

According to Fry (2003) leadership means a system of providing leading strategy to help in motivating employees and to promote employee's growth and development. Thus there are numerous reasons indicating that there should be a relationship between leadership style and organizational performance. The first reason is that in the current demanding and vibrant market; competition is mainly based on innovation, the need for sufficient products in the market, price competition, performance rivalry, declining returns, and the creative damage of existing capabilities Sarros, Densten and Santora (1999). Strategic leadership acts as a connection between leadership efficiency and organizational success in a new pattern of strategic leadership.

In the changing world where there is competition in tea production, most tea firms have seen the need to adopt new strategies to be on top of the competition. There is also pressure from the owners of tea firms for the managers to deliver results and ensure that the company achieves its goals and objectives effectively and efficiently. The management need to know how to interact with the employees in terms of motivating them, delegation of duties, applying different leadership styles that will ensure smooth running of operations and also being effective, innovative and committed to achieving organizational targets (Azhar, Ikram, Rashid and Saqib (2013).

In Africa, every organization is working towards efficient production or service delivery as a source of competitive advantage to satisfy her esteemed customers. Bringing about the competitive advantage, it calls for articulated leadership that drives the organization in achieving its goal. The process of strategic leadership is top- down and vision driven

which begins by the leader as a change agent to diagnose the situation and then deciding which of several ways to use to get things done in achieving targeted results thus performance. However, in a world where there are changes in environments and priorities every time, managers and employees should be able to look beyond their attitude to their work and responsibilities (Sanders and Davey, 2011). There is a new competitive setting in the global economy whereby events transform frequently and randomly resulting to complex competition with competitive opportunities and threats Leah (2012). In a competitive setting leadership do influence organizational performance (Parnell, 2013). Therefore, for many organizations and researchers strategic leadership is progressively becoming the focus of attention. In the 21st-century leadership at strategic level is the most critical issue facing organizations (Parnell *ibid*).

Having a vision is mandatory for every leader. Communicating a clear vision is an important feature of leadership. Employees must know on continuous basis the meaning, focal point and clarity of vision. He or she must help his subordinates to comprehend individual visions into a common vision Barton and Turnbull (2002). Visionary leaders communicate their followers to achieve the desired outcomes and promote the changes in their organizations. In addition to it, they always get help from their visions for their organization, that's why most of the charismatic leadership theories are based on this phenomenon. A visionary leader connects the present and the future goals of an organization. The performance of an employee and the whole organization are influenced mainly by its leadership (Wang, Law, Hackett, Wang and Chen, 2005). Visionary leadership provides linkage between present and future of an organization and also motivates the employees to build a bond with future goals. It is follower's obligation to

participate in their group and work diligent to accomplish vision and can get the credit. According to Robbins, (2007) emotional commitment from employees to their manager's vision is considered significant for a vision to be effective; this is because when workers are committed, they try work towards the vision of their leaders.

Study conducted by Saba, Azam, Athar, Tabish and Khan, (2015) on the functions of visionary leadership in the performance of individuals at workplace conclude that the main reason of this study was to explore the role of leadership in the performance of members in an organization with the moderating role of organizational citizenship behaviour. Information was gathered from workers employed in the service section of Rawalpindi and Islamabad regions of Pakistan. 275 questionnaires were responded out of a total of 350 questionnaires that were distributed. The findings of the study were that there is substantial relationship between the variables under study. This study concentrated only on the impact of visionary leadership on performance and not the other leadership styles like managerial and inspirational. Therefore there is that research gap and the current study will focus on the impact of visionary, managerial, inspirational and transformational leadership on organizational performance of tea estate companies in Nandi County, Kenya.

Managers play critical role in improving organizational performance, they focus on day to day running of business. They act as strategic leaders in an organization and they should understand their duties well for the business to grow. Managers are the ones who implement the strategies set by the company that is they implement the values, procedures, beliefs, policies, budget and providing creativity and innovation in the company. They assess the situation in the business environment and make decisions that

will make the company to be competitive in the market. The interaction between the managers and the other members is in a formalized impersonal way and their role is more relevant. When an organization face new problems researchers have indicated that efficient and effective managerial leadership actions can help in improving performance of the organization (Rupia, Musa, Nandi and Odera, 2012)

Managers who when undertaking their responsibilities uses directive leadership style usually gives information to other employees on what is expected of them when performing a task (Daft, 2011). According to Moorhead and Griffin (2012) directive leadership style is a situation whereby a leader gives instructions required to perform a certain task to other employees. This type of leadership is helpful in scenario where the roles of subordinate staff are not clearly stated (Nelson and Quick, 2013). We also have supportive leadership style whereby a manager emphasizes on keeping employees happy with the management and with each other. Another type of leadership style that the manager can also select is participative leadership style. It is a leadership style in which the manager. Also we have achievement-oriented leadership style; it is whereby rewards, promotions, bonuses and prizes are used to inspire and motivate workers. There is also consultative leadership style where the workers seek interpretation from the managers on how to perform a certain duty. It is the most effective leadership style when there is a lot of uncertainty within the business environment.

They found out that for a strategy to work and influence organizational efficiency, there should be adequate planning on how best to execute the strategy. From the research, Areri, Anyango, and Okelo (ibid) concluded that a company needs stronger and more dominant leadership at all levels to plan if all these strategies are to work. From the

findings this was not the same in strictly KTDA managed factories because their managerial practices are different. They studied at efficiency only as opposed to general performance. The study focused on strategic planning on organizational efficiency, this study sought to establish the effects of strategic leadership practices on the production and efficiency aspects of performance in tea estates companies in Nandi County.

According to Parry and Valle (1999), leadership and staff development is essential in assisting workers to deal with and adapt to changes in the organization. (Yukl and Lepsinger, 2004) argued that promoting innovation and creativity in a company leads to development and encouraging strategic change. Strategic leaders therefore focus to develop and effectively deliver the purpose of the organization by including other workers in crucial decision making in the organization.

Inspirational leadership is also a quality that the manager should possess. Thus, the manager should inspire employees for them to continue working hard for the company. This will result to improved organizational performance since it's the employees who are the most important resources in the company. Organizations achieve their current objectives more competently by the help of transactional leadership that is by connecting job performance to valued benefits and also ensuring that employees have the necessary resources to perform a task (Sarvadi, 2010).

Inspirational leadership also involves encouraging employees and building a sense of direction and determination for personnel and eagerness for change. It includes stimulating employees to struggle in the direction of a convincing vision of the future by accepting and symbolizing values of the organization. A leader can inspire a follower in many ways including: motivating employees, encouraging team work giving rewards

and bonuses and also providing clear career development. To improve job performance managers should focus on motivating employees in order for them to get encouragement to work (Rukhmani, Ramesh and Jayakrishnan, 2010).

A worker who is motivated means that he or she is responsive to the goals and objectives of the company, therefore he or she directs his or her actions in that directions. This will result to efficiency in production, low employee turnover, sufficient production, and improved internal processes in the company. Motivation helps the organization to be more successful in that motivated employees are always looking for improved ways to conduct activities, so it is important for organizations to find ways of motivating their employees (Kamalian, Yaghoubi and Moloudi, 2010).

According to Sharma and Bansal (2009) organizational performance can be improved or enhanced by leaders who can face reality based on facts and promote creativity, innovation, and teamwork. Nevertheless organizations sometimes fail to achieve sustainable production, improved internal processes, employee satisfaction and efficiency in carrying out of the activities of the organizations due to their inadequate understanding of the connection between these variables (innovation, creativity and teamwork). Up to date little research has analysed the direct and indirect relationships between these variables. Therefore, this study will seek to fill the theoretical, empirical, conceptual and methodological gaps that exist.

Transformational leadership has four main features; Inspirational, individualized, intellectual and idealized aspects. Inspirational motivation is whereby transformational leadership is found on the basis of promoting compelling vision, mission, and a set of values to the workers. The vision should be is so convincing that the members know what

they are required to do in every activity. The workers of an organization are provided with guidelines by the transformational leaders in the company. They promote the spirit of cooperation and commitment in the organization and thus improved organizational performance. **Intellectual Stimulation:** These types of leaders encourage new ideas and concepts in the organization from members of the organization by promoting innovativeness and creativity. They inspire new concepts from employees and don't criticize them publicly for the mistakes. The leaders concentrate on the problems and not blaming workers for their wrong actions. The old practice is thrown out if found ineffective without delay by transformational leaders (Giacalone and Jurkiewicz, 2010).

Idealized influence encourages leaders to possess the traits that they want the juniors have since a leader can influence a follower that is they act as role model to the other individuals. Therefore these leaders through their actions win the trust and respect of its followers. They take the employees need first before their own that is they sacrifice their personal benefits for other members and portray high standards of ethical conduct. They use power to influence the performance of employees and thereby ensuring organization achieve their set goals and objective effectively and efficiently (Biegon, 2009)

According to Chaleff (2012) individualized Consideration managers act as supporters, whereby they reward members for creativity and innovation and these encourages workers. Employees are treated differently according to the talents and knowledge they possess. They are permitted to make decisions and are always provided with the needed support to implement their decisions. New studies have also shown that active, exciting, and passionately pleasing expressions of a special personality results to positive moods in members. Studies detected that the emotion-related cases of burnout and stress in the

company are all related. Thus transformational leadership can be taken as a process whereby managers or leaders communicate a vision to the workers and inspire followers to perform their duties beyond their own expectations.

1.1.3 Tea Estate Companies in Kenya

Kenya has taken a leading position in tea export in relation to size and quality; it is the second in tea production after Sri Lanka according to World Trade organization report of 2010. Sri Lanka charges higher prices per kilogram of tea than Kenya and thereby earning more than Kenya in the market. This happens and yet Kenya leads in terms of volume. For example in the year 2010, Kenya managed to receive US\$ 1.23 Billion from exports of 441 million kilograms of tea, while Sri Lanka received US\$ 1.37 Billion (or 10% higher) from exporting 314 million kilograms (or 29% lower volumes). This therefore indicates that Sri Lanka charges higher prices than Kenya in the International market. Thus in 2010 Sri Lanka charged US\$ 4.30 per kg compared to Kenya US\$ 2.80 on average, resulting to a difference of 35% in terms of value realization.

Kenya recorded a 31% share of value in US dollars of the amount of tea exported followed by Sri Lanka and India (International Trade Centre, 2010). Whereas in terms of non-bulk teams Sri Lanka, UK, India and the UAE top the list, but Kenya does not feature. Kenya is behind Sri Lanka, India and UAE and this is due to poor performance by the tea estates in Kenya. The reason as to why Kenya charges lower prices than other competing countries in the market is due to tea company management as per Tea Board of Kenya report of 2014). Nyangito (2000) perceives that the notable progress in the tea industry is due to the attributed to the supportive role of two key institutions in the tea sector.

Business environment is changing faster than ever, according to research from the Boston Consulting Group nearly a third of United States companies are likely to seize operation in the next five years. This change is being driven by greater competition for instance in the tea production there is competition from rival firms whereby other companies produce quality tea products and at a cheaper cost thereby charging low price. There is also the challenge of changing customer needs whereby customers' tastes and preferences vary from time to time. One of the ways of making an organization more efficient and effective is by having strategic leaders across the organization. The old model of top down leadership cannot cope with today's hyper competitive markets.

Tea is the main cash crop and a source of income for majority of residents in Nandi County. This is evidenced by the concentration of tea companies in the County; both local and multinational. However it is notable that tea production in Nandi County is faced with a lot of challenges due to Annual KTDA report of 2015/2016. Nandi County has experienced adverse fluctuations in tea productivity in the past. This trend has persisted irrespective of efforts by tea companies and farmers to device methods and techniques to counter it. This problem has affected economic development in Nandi County, since farmers rely heavily on tea production as their key source of earnings, Tea board of Kenya report of 2011. Moreover, tea manufacturing factories in the County face the challenges of sinking prices of tea and yet production cost is increasing. Tea estates in Nandi County have tried to improve productivity by doing a number of things like embracing new technology that mitigates the rising production cost, encouraging innovation like inventing mechanical tea harvesting and also creating new products in order to remain competitive in the market. A notable example is Chemartin Tea Company

in Nandi County that has introduced mechanization of tea plucking, a move that has seen many of its laborers become redundant. All these challenges faced by tea estates in Nandi County contribute to the need to have effective strategic leaders in the management of tea estates companies in Nandi County, Kenya that is leadership in aspects of visionary, managerial, inspirational and transformational leadership.

1.2 Statement of the Problem

Tea sector in Kenya has been facing a downward trend in performance with regard to bonus declaration, competition with other tea producing countries, inadequate committed employees, inefficiency in production and inadequate market to sell volume of tea over the last decade despite tea being the second most imported commodity in Kenya. Tea estate companies have not able to receive adequate returns from their investments. The Kenya tea industry and specifically tea companies in Nandi County usually focus on the challenges that hinder performance in the tea industry. Some of these challenges are related to production, efficiency, volume of sales and market share. Nandi tea estate lost close to 150 million annually as a result of employees pay row. It is also facing challenges in marketing due to introduction of purple tea in the market and its export has declined from. The exports in Nandi tea estate in 2014 was Ksh.2.3 billion in 2015 went to Ksh. 2.5 billion then declined to Ksh. 2.4 billion, Ksh. 2.35 billion in the years 2016 and 2017 respectively. The dividend to shareholders was Ksh. 14, Ksh. 16, Ksh. 16 and Ksh. 15 in the years 2014, 2015, 2016 and 2017 respectively. Nandi tea estates have not been able to secure an alternative market for their produce due to increasing competition. Tanui, Feng, Wang and Kipsat (2012).

As argued by Hitt, Hoskisson, and Ireland (1994) other difficulties though not covered in the study include non-commitment of employees, ineffective use of resources, minimal innovativeness and creativity of the workforce, shortage of labour skills, inappropriate career development procedures, not rewarding best performing employees, failure by the management to retain top performing employees, unclear goals and objectives and unclear vision and mission statement.

Azhar, Ikram, Rashid and Saqib (2013) contends that performance of organizations is determined by the choice of strategy and the way the strategy is executed, which in turn is determined to a great magnitude by the nature of leadership and more so the strategic leadership of an organization. If there is no efficient and effective strategic leadership, the ability of a firm to achieve or sustain a competitive advantage therefore superior performance is significantly constrained. Strategic leadership is the most critical factor in the success of any organization. It stands at the centre of organizational running and success by harmonizing the long term and short term strategies of the business, since the short term strategies are derivatives of the long term strategies.

Proper strategic leadership result to better organizational performance. One of the organisational internal competitive superiorities is leadership style. Strategic leadership have been widely accepted as popular leadership styles visible that plays an effective role and significant role in attaining effective and efficient organisation performance (Miron, Erez and Naveh 2004). High failure rate of companies in operation is well acknowledged, and hindrances to efficient and effective strategy leadership exist.

Jooste and Fourie (2009) argue that strategic leadership is a key driver to effective strategy implementation. The increased failure rate of businesses in operation is a basis

for great concern in organizations. Managers of companies need to consistently update performance reports to monitor progress and measure operational success. Performance can be measured based on employees overall impact, production capability of a company, efficiency and the ability to implement the best practises. Poor performance in many organizations results to insufficient production of output and inefficiency in carrying out daily activities of the firm. Study by Walter on influence of leadership style on performance used pilot test in measuring reliability of the instruments of collecting data, this study used Cronbach alpha to measure reliability of the instrument. Nthini studied strategic leadership on performance of commercial banks in Kenya did a correlation analysis, this study used descriptive research design.

A study by Ejere and Ugochukwu examines the influence of transactional and a transformational leadership style on organizational performance in the Nigerian work context using survey method was adopted. Information was collected using a designed Multifactor Leadership Questionnaire (MLQ). Effort, satisfaction and effectiveness were the three measures of organizational performance. This study was done using 36 sampled respondents rather than survey method and volume of sales, production and market share as the measure of performance.

David, Fortin, Schunbel, Guegen and Zimmerman measured performance using only three measures, effort, satisfaction and effectiveness, this study used market share, efficiency, volume of sales and production. In a study by Peris and Namusoge determined the impact of laissez-faire, transactional and transformational leadership styles on organizational performance at state corporations, they fail to include other measures of strategic leadership such as managerial and inspirational leadership which were addressed

by this study. Sharma and Bansal concluded that there are four main features of transformational leadership and named inspirational, as one of them. According to this study, inspiration was treated as a component of strategic leader and hence measured independently. Therefore this study sought to examine strategic leadership and organisational performance in Tea estates in Nandi County.

1.3 Objectives of the Study

1.3.1 General Objective:

To investigate the influence of strategic leadership on organizational performance of tea estate companies in Nandi County, Kenya.

1.3.2 Objectives of the Study

The study used the following specific objectives:

- (i) To establish the effect of visionary leadership of tea estate companies in Nandi County, Kenya.
- (ii) To determine the role of managerial leadership of tea estate companies in Nandi County, Kenya.
- (iii) To examine the influence of inspirational leadership of tea estate companies in Nandi County, Kenya.
- (iv) To establish the effect of transformational leadership of tea estate companies in Nandi County, Kenya.

1.4 Research Questions

- i. What is the effect of visionary leaders on organizational performance of tea estate companies in Nandi County, Kenya?
- ii. What is the role of managerial leadership on organizational performance of tea estate companies in Nandi County, Kenya?
- iii. In what ways does inspirational leadership influence organizational performance of tea estate companies in Nandi County, Kenya?
- iv. What is the effect of transformational leadership on organizational performance of tea estate companies in Nandi County, Kenya?

1.5 Justification of the Study

It provides information on the influence of strategic leadership on the performance of tea estate companies in Nandi County. Findings of this study benefits the following parties;

It helps the management of tea estate companies to understand how to manage its employees and get the best from them concerning production and efficiency. That is the Management of tea estates will know the different leadership styles to be adopted, the importance of having experienced managers, the benefits of goal and target setting, vision and mission statement, team work, effective use of resources, training of managers regularly, having proper career guidelines and also motivate its employees who will encourage them to work towards achieving the goals and objectives of the tea estate companies.

KTDA, which manages small-scale farmers, benefits from the study, as it would understand the strategic leadership styles those can ultimately increase revenue to small-

scale tea farmers. Additionally, tea producers who are involved in production, processing, and marketing of tea benefit from the findings of this study to identify opportunities for up scaling their activities, in the entire value chain.

The findings of this study enables Ministry of Agriculture and Tea Board of Kenya examine critical issues surrounding the welfare of employees of tea estates in Kenya and to formulate appropriate and relevant policies to form a guiding framework that will help the employees of the tea estates to feel secure at their places of work and also help the owners of the tea estates to achieve their goals effectively and efficiently.

1.6 Scope of the Study

The research was conducted in 9 tea estate companies and 36 respondents in Nandi County, Kenya in 2017. This is because Nandi County is one of the leading counties in tea production in Kenya. It focused on the relationship between strategic leadership and organizational performance of tea estate companies.

1.7 Limitations of the Study

The study was conducted in tea estate companies and thus poses a challenge in obtaining information needed for the study due to fear of reprimand or lack of confidentiality for respondents. The researcher obtained introduction letters from the University and permission from relevant authority within the tea estate firms thus an assurance to respondents of the basis for and confidentiality of information collected.

1.8 Organisation of the Study

The study was structure in five chapters; the first chapters focused on background of the study, problem statement, study objectives, research questions, and assumptions of the study, significance, limitations and scope of the study. The second chapter focused on literature review discussed under theoretical review, empirical review and conceptual framework of the study. Third chapter focused on the research methodology that was used in the study. It was devided under research design, target population, sampling design and reliability and validity of research instruments data collection and analysis the fourth chapter focused on data analysis and presentation and chapter five focused on summary, conclusion and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review

There are several studies that have been conducted regarding the relationship between strategic leadership and organizational performance. Strategic leaders are required in every organization for the companies to operate its activities smoothly and also to balance long term and short term objectives and goals of the company.

The following are the relevant theories:

2.1.1 The Path Goal Theory of Leadership

The path goal theory of leadership was first developed by Martin Evans in 1970 and later developed further by Robert House in 1971. The theory postulates that employee's motivation, sufficient production of goods and services, efficiency in production, improved internal processes and worker's satisfaction depends on the leadership style adopted by the manager. Thus, this means that the manager should select a leadership style that is in line with the characteristics of the individuals of a specific group. The theory proposes that in all scenarios it is not only one leadership style that should be adopted. Therefore, the manager should know different leadership styles. According to this theory there exist four leadership styles, these are; directive style, it is a leadership style where the leader gives directions on how a certain job should be conducted. Supportive leadership, here the manager concentrates on making all workers happy with each other in the organization.

There is also the participative leadership, in this leadership style the management allows employees to make certain decisions after agreeing with each other. Achievement-oriented leadership, it is whereby the management use certain incentives like rewards, allowances, promotions and bonuses to inspire workers. The managers of tea estates in Nandi County are therefore required to understand the different leadership styles to be adopted when handling certain issues and change when the need arise in order to enhance efficiency and sufficient production of tea products and also ensue employee and customer satisfaction. This means that path goal theory of leadership was relevant to this study (House,1971).

According to House and Mitchell (1975), the type of jobs determine the leadership styles to be adopted. Normally low skills jobs like tea picking, sorting and packing, directive leadership is used where workers receive specific instructions. Since the study will focus on tea estates that are characterized by low-skill job, directive leadership is mostly applied by leaders of tea estates. Supportive leadership is applied when employees deal with challenging situations, such as social work or providing health care. In the jobs with high skill participative leadership is used for example in engineering where employees need to make a decision on whether the project can be carried out as planned or not. Achievement-based leadership is applied where a worker earns income through commission like an employee selling loans of a certain bank. The theory endorses a leadership style that is not common in practice. The theory suffers criticism that if there is too much dependence on leader the system may collapse if something happen to the leader and also that it is undemocratic in nature.

The path goal theory is applicable to this study as it is a cause-and-effect theory. The managers of the tea estates in Nandi County will always be alternating the leadership styles to solve a problem and to encourage and inspire employees to achieve the desired goals and objectives of tea estate companies. If the workers of tea estate are not executing their duties well, the management finds the reasons.

2.1.2 Transformational Leadership Theory

Transformational leadership theory was developed by Bass in 2005. The theory postulates that leaders must be able to motivate the workers for the employees to work beyond the expectation and thereby resulting to good performance since the market has become very competitive. Due to this expectation new ideas about leadership have emerged. One example of these new ideas is transformational leadership. Transformational leadership theory explains the significance of leaders' effect on other employees of the organization and various studies have provided several perceptions into the relationship between transformational leader and the other employees. Transformational leaders provide alternative solutions to problems thereby influencing employees to perform beyond their expectation. In contrast, observations of insignificant transformational leadership actions lead to high levels of worker frustration and thereby resulting to low performance levels. This type of leadership can be found in all departments or divisions in the organization. Such transformational leaders have vision, they are inspiring, they have managerial leadership qualities, and they are daring and also risk takers.

A leader encourages new ideas and concepts in the organization from members of the organization by promoting innovativeness and creativity. They inspire new concepts from

employees and don't criticize them publicly for the mistakes. The leaders concentrate on the problems and not blaming workers for their wrong actions. The old practice is thrown out if found ineffective without delay by transformational leaders. Transformational leadership encourage workers of tea estates in Nandi County to be always on the look out to find the best ways of doing things that will save the resources of the company. It also enable the firms to produce new products in the market and thus increasing their market share (Yammarino and Dubinsky,1994).

They are permitted to make decisions and are always provided with the needed support to implement their decisions. New studies have also shown that active, exciting, and passionately pleasing expressions of a special personality results to positive moods in members. Studies detected that the emotion-related cases of burnout and stress in the company are all related. Thus transformational leadership can be taken as a process whereby managers or leaders communicate a vision to the workers and inspire followers to perform their duties beyond their own expectations. The qualities of understanding, inspiration, self-awareness, belief, motivation and emotional stability are all qualities of a transformational leader, (Yammarino, Spangler, and Bass,1993).

There are criticisms against the theory of transformational leadership, one of the criticisms is transformational leader is very difficult to be trained or taught, because it's components are too comprehensive; on the other hands, one of the argument against transformational leadership is that supporters might be handled by leaders. Among them all, one of the important key criticisms against transformational theory is accusing it to be only for the selected individuals, which may lead to abusing of power Bass (2005). Therefore this theory is applicable to the study as it explains how leaders should interact

with the followers in order for the organization to achieve innovation and creativity and team work for organizational performance.

2.1.3 Upper Echelon Theory

The theory was pioneered by Hambrick and Mason in 1984. The main highlight of this theory is that, firms are replications of the intellect and deals of their top leaders. Principles and inclinations of top leadership will affect their review of the environment, and the selections they make about the strategy of the organization. Over a given duration, the firm comes to mirror the leader. The theory was further refined by Hambrick, (2007) by introducing two further moderators: managerial discretion and executive job demand. The upper echelon theory offers that a firm's outcome is directly related to the extent of managerial discretion that exists. Managers with higher discretion have a higher opportunity to influence the employees. The essentials of the Upper Echelon Theory are that demographic features are substantially interwoven to the psychological and cognitive elements of the leaders at the apex of the organization. The theory suffer criticisms, upper echelon theory and its subsequent refinement do not take into consideration the ethical requirements in the industry. Firms operations are not necessarily a reflection of the actions and beliefs of the top management. In some instances, the operations and practice of the firm are dictated by the ethical considerations even if the characteristics of the leadership are contrary to that (Van der Zee and Swagerman, 2009). The theory is relevant to the current study in that the management of tea estates should be aware that the output of their firms depends of the leadership style they employ since the results is the replication of their intellectual capacity as argued by Hambrick and Mason (1984). Their training, experience, use of resources influence

organizational performance

2.1.4 Trait Theory

It was first proposed by Pervin in 1994. Trait theory help in identifying traits and qualities that is instrumental when leading others. Such traits may include honesty, responsiveness, decisiveness, good decision-making skills, and likability. On another hand, not one of these traits will assure a successful leadership. Traits are outward manners that crop from the items running within our subconscious that impart on effective leadership. Leader effectiveness is the extent of inspiration a leader has on the how an employee or employees perform, how they are satisfied, and how effective they are (Derue et al, 2011). A research performed on failure and achievement by McCall and Lombardo (1983) recognized four main traits through which one can fail or thrive: how one is composed or stable emotionally: how confident or calm one is under a stressful challenge, how one agrees to mistakes, how one takes up responsibility for mistakes, adequate relational skills: excellent communication and persuasion skills: masterly of extensive range of disciplines instead of a narrow focused expertise.

The main criticism of this theory is that it pegs effectiveness of a leader on inborn emotional mechanisms and restricts the importance obtaining skills through imparting knowledge on individuals through school (Pervin, 1994). At times, inborn traits are not as rigid or important when leading as the theory supposes. The theory does not consider circumstances that might affect the outcome given separate scenarios call for separate behaviors from leaders.

2.2.5 Theory of Performance

The theory was developed by Locke, E. A., & Latham, G. P. (1990). The theory defined goal being set for the future for subsequent performance of an individual or organizations. It argues that when individuals or organizations set more difficult goals, then they perform better. On the other hand if the set goals are easy then performance of an individual or organization decreases. When a person or organization is committed to achieving goals and do not suffer from any conflicting goals. Then, the achievement of the goal is positive. According to Locke, there are five basic principles that allows goal setting to perform better. These include: clarity, challenge, commitment, feedback, and task complexity. In addition goal setting will help in developing action plan designed to guide people and organizations. Consequently, this helps in making it a major component of personal development and management literature. Furthermore, many researchers point out that there is a positive correlation between goal setting and improved business and organizational results. This is because goal setting theory encompasses all aspects of building organizations with efficiency (Koppes 2014).

However, goal setting theory suffers criticism, first, it has been brought out as being time consuming and expensive in application. This is because there are various factors needs to be addressed to achieve the goals by businesses. which includes: Selections of right people with skills and knowledge, Making training for career development and organizational productivity a necessity and incurring expenses. Furthermore, it also brings in internal competition risk, where employees often compete with each other. In such a scenario the interest and objectives of the business is to ignore and focus on individual achievements. Favoritism by leaders of those individuals who perform better

also become a limitation of the goal setting theory. Goal setting is applicable and more importantly many organizations prefer it over other performance management tools (Julnes et al. 2007).

2.2 Empirical Review

In Kenya studies mostly concentrated on leadership abilities and different proportions of tea companies' performance in order to understand organizational performance of tea estate companies. In all these studies, literature reveals that Kenya and in particular the impact of different aspects of strategic leadership on organizational performance in tea estates in Nandi County has been less studied. Therefore there is need for more information for there to be sufficient production, improved internal processes, employee satisfaction and efficiency in production of tea products. This study is not a complete new research but its concepts have been studied by different researchers. Though there are conceptual, contextual and procedural gaps that have been recognized. This study attempts therefore to address the gap in knowledge in Kenyan tea sector.. Gao and Brodows (2009) reasoned that the strength of firms relies on immaterial assets like creativity, innovation, culture, leadership styles, experience, reliability and culture which when combined well will result to improved performance. It is recent that studies have started focusing on strategic leadership as a factor contributing to organizational performance despite the long history of research on leadership (Narayanan and Zane, 2009). One of the problems facing tea production currently is leadership at strategic level; however there is slight indication on the influence of leadership at strategic level on organizational procedures with different strategic significance (Ambler, 2010)

Earlier researchers argued that organizational performance that is employee and customer satisfaction, efficiency in production, having sufficient production and improved internal procedures is directly influenced by leadership dimensions. Although, the impact of strategic leadership on organizational performance in terms of the effect of visionary, managerial, inspirational, and transformational leadership on efficiency, production, improved internal processes and employee satisfaction has not been well studied. According to House and Adyta's (1997) previous studies concentrated excessively on the relationship between management of a company and other employees and excluding other roles that leaders perform.

2.2.1 Visionary Leadership and Organizational Performance

Study conducted by Saba, Azam, Athar, Tabish and Khan, (2015) on the functions of visionary leadership in the performance of individuals at workplace. The main reason of this study was to explore the role of leadership in the performance of members in an organization with the moderating role of organizational citizenship behaviour. Information was gathered from workers employed in the service section of Rawalpindi and Islamabad regions of Pakistan. 275 questionnaires were responded out of a total of 350 questionnaires that were distributed. The findings of the study were that there is substantial relationship between the variables under study. This study concentrated only on the impact of visionary leadership on performance and not the other leadership styles like managerial and inspirational. Therefore there is that research gap and the current study will focus on the impact of visionary, managerial, inspirational and transformational leadership on organizational performance of tea estate companies in Nandi County, Kenya.

Communicating a clear vision is an important feature of leadership. Employees must know on continuous basis the meaning, focal point and clarity of vision. He or she must help his subordinates to comprehend individual visions into a common vision Barton and Turnbull (2002). Visionary leaders communicate their followers to achieve the desired outcomes and promote the changes in their organizations. In addition to it, they always get help from their visions for their organization, that's why most of the charismatic leadership theories are based on this phenomenon. A visionary leader connects the present and the future goals of an organization.

The performance of an employee and the whole organization are influenced mainly by its leadership (Wang, Law, Hackett, Wang and Chen, 2005). Visionary leadership provides linkage between present and future of an organization and also motivates the employees to build a bond with future goals. It is follower's obligation to participate in their group and work diligent to accomplish vision and can get the credit. According to Robbins, (2007) emotional commitment from employees to their manager's vision is considered significant for a vision to be effective; this is because when workers are committed, they try work towards the vision of their leaders.

Patterson (2007) claims that having clear vision helps in inspiring people to perform better. The goals and objectives of a company can be achieved smoothly without struggle if employees are committed the company's vision. An organization is self-adjusting when employees understand and embrace leader's vision. Facilitation, initiation and discretion of decision-making process by subordinates are an important function of vision. Leaders clearly understand that they cannot turn their visions into reality alone. To do so, employees help and support. Workers are therefore allowed to function independently by

giving tasks which lead to better positive experiences and self-confidence. Thus, followers are persuaded through their own competencies which create an environment of emotional attachment, enthusiasm, and accomplishment (Achua and Lussies, 2000). Followers become devoted to the promoted vision and, in turn, vision meets followers' desires and capability. Visionary leaders come up with the mission and vision statement of the company, set goals and objectives and also ensure new product development and commitment of an employee to the vision of the organization.

2.2.2 Managerial Leadership and Organizational Performance

Managers play critical role in improving organizational performance, they focus on day to day running of business. They act as strategic leaders in an organization and they should understand their duties well for the business to grow. Managers are the ones who implement the strategies set by the company that is they implement the values, procedures, beliefs, policies, budget and providing creativity and innovation in the company. They assess the situation in the business environment and make decisions that will make the company to be competitive in the market. The interaction between the managers and the other members is in a formalized impersonal way and their role is more relevant. When an organization face new problems researchers have indicated that efficient and effective managerial leadership actions can help in improving performance of the organization (Rupia, Musa, Nandi and Odera, 2012)

Managers who when undertaking their responsibilities uses directive leadership style usually gives information to other employees on what is expected of them when performing a task (Daft, 2011). According to Moorhead and Griffin (2012) directive leadership style is a situation whereby a leader gives instructions required to perform a

certain task to other employees. This type of leadership is helpful in scenario where the roles of subordinate staff are not clearly stated (Nelson and Quick, 2013). There is also supportive leadership style whereby a manager emphasizes on keeping employees happy with the management and with each other. Another type of leadership style that the manager can also select is participative leadership style. It is a leadership style in which the manager. Also we have achievement-oriented leadership style; it is whereby rewards, promotions, bonuses and prizes are used to inspire and motivate workers. There is also consultative leadership style where the workers seek interpretation from the managers on how to perform a certain duty. It is the most effective leadership style when there is a lot of uncertainty within the business environment.

Nthini (2013) conducted a research on how performance of commercial and financial state corporations in Kenya is influenced by strategic leadership. The study concentrated on determining the impact of corporate strategic direction, influence of effectively managing corporate resource portfolio and the importance of effective organizational culture. Thus there is that research gap since the study concentrated on the influence of strategic direction, influence of managing corporate reserve portfolio and the importance of effective organizational culture. The current study will focus on the impact of developing clear vision, mission and goals of the company, managerial styles of leadership, experience, training, appraisal of employees and also developing clear career development procedures. Also the current study focused on commercial and financial state corporations in Kenya meaning a research on the association between strategic leadership and performance in tea estates was necessary.

They found out that for a strategy to work and influence organizational efficiency, there should be adequate planning on how best to execute the strategy. From the research, Areri, Anyango, and Okelo (ibid) concluded that a company needs stronger and more dominant leadership at all levels to plan if all these strategies are to work. From the findings this was not the same in strictly KTDA managed factories because their managerial practices are different. They studied at efficiency only as opposed to general performance. The study focused on strategic planning on organizational efficiency, this study sought to establish the effects of strategic leadership practices on the production and efficiency aspects of performance in tea estates companies in Nandi County.

Strategic leadership can be taken as a package of components of activities and involvements used in managing any organization. According to Kotler, Ang, and Tan (1996) the importance of a company having a vision which can be taken as goals and a strategy for realizing them and cooperating with each other extensively in leading transformation. According to Parry and Valle (1999), leadership and staff development is essential in assisting workers to deal with and adapt to changes in the organization. (Yukl and Lepsinger, 2004) argued that promoting innovation and creativity in a company leads to development and encouraging strategic change. Strategic leaders therefore focus to develop and effectively deliver the purpose of the organization by including other workers in crucial decision making in the organization. The skill of the leader comes in combining and managing such ideas so that many in the company feel that they have made an impact and at the same time is willing to follow and work in the direction of the strategy defined by the leader (Finkel, 1996). However some researchers have said that

there is no evidence of strategic leadership/management which has led into poor state of performance of public organizations (Bonoffs and Zimmerman, 2013)

2.2.3 Inspirational Leadership and Organizational Performance

Inspirational leadership is also a quality that the manager should possess. Thus, the manager should inspire employees for them to continue working hard for the company. This will result to improved organizational performance since it's the employees who are the most important resources in the company. Organizations achieve their current objectives more competently by the help of transactional leadership that is by connecting job performance to valued benefits and also ensuring that employees have the necessary resources to perform a task (Sarvadi, 2010). Inspirational leadership also involves encouraging employees and building a sense of direction and determination for personnel and eagerness for change. It includes stimulating employees to struggle in the direction of a convincing vision of the future by accepting and symbolizing values of the organization.

A leader can inspire a follower in many ways including: motivating employees, encouraging team work giving rewards and bonuses and also providing clear career development. To improve job performance managers should focus on motivating employees in order for them to get encouragement to work (Rukhmani, Ramesh and Jayakrishnan, 2010). A worker who is motivated means that he or she is responsive to the goals and objectives of the company, therefore he or she directs his or her actions in that directions. This will result to efficiency in production, low employee turnover, sufficient production, and improved internal processes in the company. Motivation helps the organization to be more successful in that motivated employees are always looking for

improved ways to conduct activities, so it is important for organizations to find ways of motivating their employees (Kamalian, Yaghoubi and Moloudi, 2010).

At Volvo Car Corporation Axelsson and Bokedal (2009) conducted a study on rewards – motivating different generations. The research was established on a case study of Volvo Car Corporation in Goteborg. Empirical data was collected from interviews with twenty managers at the enterprise. The study discovered that non-monetary benefits and challenging work inspire managers. It argues that bonuses and shares are not very motivating. Also designations are not inspiring at all. On the other hand, chances for development are motivating for both generations. The conclusion was that there exist generational differences.

House and Aditya (1997) did a study on distinguishing between micro level research that concentrated on the manager in relation to the juniors and immediate supervisors, and macro-level research that concentrated on the whole company and its surroundings. Other researchers have also proposed that managers and their leadership style affect both their juniors and organizational performance (Tarabishy, Solomon, Fernald and Sashkin ,2005). Therefore this implies that banks that embrace strategic leadership stand a better chance to survive in an ambiguous and turbulent environment. Hoskisson, Hitt and Ireland (2004) in their review, wrote that the understanding of the strategic leadership has a narrow understanding of the person who occupy the top office or the chief executive officer, equally on another scope it includes all those people that form part of the leadership at the apex of the organization they are referred to as the top management team. This fits the argument that the leaders do not make decisions in isolation but they

have a whole team of consultancy that aid them with the information and advice that is pertinent in their decision making

2.2.4 Transformational Leadership and Organizational Performance

According to Sharma and Bansal (2009) organizational performance can be improved or enhanced by leaders who can face reality based on facts and promote creativity, innovation, and teamwork. Nevertheless organizations sometimes fail to achieve sustainable production, improved internal processes, employee satisfaction and efficiency in carrying out of the activities of the organizations due to their inadequate understanding of the connection between these variables (innovation, creativity and teamwork). Up to date little research has analysed the direct and indirect relationships between these variables. Therefore, this study will seek to fill the theoretical, empirical, conceptual and methodological gaps that exist.

Transformational leadership has four main features; Inspirational, individualized, intellectual and idealized aspects. Inspirational motivation is whereby transformational leadership is found on the basis of promoting compelling vision, mission, and a set of values to the workers. The vision should be is so convincing that the members know what they are required to do in every activity. The workers of an organization are provided with guidelines by the transformational leaders in the company. They promote the spirit of cooperation and commitment in the organization and thus improved organizational performance. Intellectual Stimulation: These types of leaders encourage new ideas and concepts in the organization from members of the organization by promoting innovativeness and creativity. They inspire new concepts from employees and don't

criticize them publicly for the mistakes. The leaders concentrate on the problems and not blaming workers for their wrong actions. The old practice is thrown out if found ineffective without delay by transformational leaders (Giacalone and Jurkiewicz, 2010).

Idealized influence encourages leaders to possess the traits that they want the juniors have since a leader can influence a follower that is they act as role model to the other individuals. Therefore these leaders through their actions win the trust and respect of its followers. They take the employees need first before their own that is they sacrifice their personal benefits for other members and portray high standards of ethical conduct. They use power to influence the performance of employees and thereby ensuring organization achieve their set goals and objective effectively and efficiently (Biegon, 2009)

According to Chaleff (2012) individualized Consideration managers act as supporters, whereby they reward members for creativity and innovation and these encourages workers. Employees are treated differently according to the talents and knowledge they possess. They are permitted to make decisions and are always provided with the needed support to implement their decisions. New studies have also shown that active, exciting, and passionately pleasing expressions of a special personality results to positive moods in members. Studies detected that the emotion-related cases of burnout and stress in the company are all related. Thus transformational leadership can be taken as a process whereby managers or leaders communicate a vision to the workers and inspire followers to perform their duties beyond their own expectations.

Latest researchers argue that the ability of managers or leaders to show transformational leadership style in executing business activities of the company may have a significant effect on employee performance, especially organizational commitment Dubinsky,

Yammarino, Jolson and Spangler (1995). A study conducted by Ejere and Ugochukwu (2013) examines the influence of transactional and transformational leadership styles on organizational performance in the Nigerian work context using survey method were adopted. Information was collected using a designed Multifactor Leadership Questionnaire (MLQ). Effort, satisfaction and effectiveness were the three measures of organizational performance. Information taken from one hundred and eighty four (184) randomly selected respondents was analyzed using regression and correlation statistical techniques.

2.3 Summary of Gaps in Literature Review

An analysis of literature review reveals how strategic leadership is crucial for there to be good performance in any organization. This study is not a complete new research but its concepts have been studied by different researchers.

The upper echelon theory argues that a firm's outcome is directly related to the extent of managerial discretion that exists. Managers with higher discretion have a higher opportunity to influence the employees. The essentials of the Upper Echelon Theory are that demographic features are substantially interwoven to the psychological and cognitive elements of the leaders at the apex of the organization. However the theory failed to take into consideration the creativity of manager in exercising that discretion. The trait theory only helped in identifying traits instrumental in leadership and it included honesty, responsiveness and decision making skills. It failed to explain whether other variable such goals, vision and mission statement setting contributes to successful leadership in which this research examined. Transformational theory required to encourage ideas and

concepts in the organization from members by promoting innovativeness and creativity. The leaders are not to blame others for their wrong doing. The theory may not be realistic because of the difficulty in training employees as it is comprehensive and depends on employee capacity to think and also applicable for the selected individual. The path goal theory argues that manager should select leadership style that is in line with the characteristics of individual of a specific group.

Study by Walter on influence of leadership style on performance used pilot test in measuring reliability of the instruments of collecting data, this study used Cronbach alpha to measure reliability of the instrument. Nthini studied strategic leadership on performance of commercial banks in Kenya did a correlation analysis, this study used descriptive research design. A study was by Ejere and Ugochukwu examines the influence of transactional and a transformational leadership style on organizational performance in the Nigerian work context using survey method was adopted. Information was collected using a designed Multifactor Leadership Questionnaire (MLQ). Effort, satisfaction and effectiveness were the three measures of organizational performance. This study was done using sampled respondents rather that survey method and volume of sales, production and market share as the measure of performance.

Peris and Namusoge did a study and focused on effects of leadership style on organizational performance. They focused on leadership style but this study focused on strategic leadership components namely visionary, managerial, inspirational and transformational leadership. David, Fortin, Schunbel, Guegen and Zimmerman measured performance using only three measures, effort, satisfaction and effectiveness, the study used market share, efficiency, volume of sales and production. Walter did a study on

Influence of leadership style on performance of construction projects. The leadership variables used were transactional leadership and transformational leadership. This study used visionary, managerial, inspirational and transformational leadership to measure strategic leadership.

In a study by Peris and Namusoge determined the impact of laissez-faire, transactional and transformational leadership styles on organizational performance at state corporations, the fail to include other measures of strategic leadership such as managerial and inspirational leadership which were addressed by this study. Sharma and Bansal concluded that there are four main features of transformational leadership and named inspirational, as one of them. According to this study, inspiration is treated as a component of strategic leader and hence measured independently.

Peris and Namusoge their study focused on effects of leadership style on organizational performance in states corporations. The leadership of states corporations may depend on the state policies. This study focused on not only leadership but strategic leadership aspects inspirational, visionary, transformational and managerial. Abba investigated perceived role of strategic leadership in strategy implementation, this study investigated strategic leadership and performance. Saba, Azam, Athar, Ali and Bilal took a study on the roles of leadership in organizational performance leaving a gap to study on strategic leadership and organizational performance.

Table 2.1 Summary of Research Gaps

Researcher	Topic/Theme	Research Findings	Research gaps	Focus of current study
Saba, S., I Azam, R., Athar, R., Ali Tabish, S., & Bilal Khan, A. (2015)	Role of leadership in performance of the organisation.	There is significant relationship between the variables.	The focus was only on visionary leadership aspect of strategic leadership.	Focused on strategic leadership which includes visionary, managerial, and inspirational leadership styles.
Peris M & Prof G S Namusonge (2012)	Effect of leadership styles on organizational performance at states corporations.	Laissez –fair leadership style is not significantly correlated to organizational performance.	Leadership styles discussed in this study was laissez-fair, transactional and transformational.	The focus was on how strategic aspects of inspirational, managerial and visionary affect performances.
Abba Abash (2016)	To investigate the perceived role of strategic leadership in implementation in commercial banks.	The study established that in organization leaders develop strategic vision, strategies and set goals of the company.	The focus was on strategy implementation in an organization and not performance.	It concentrated on performance.
Nthini, E. K. (2013).	Influence of strategic leadership on performance of commercial and financial state corporations in Kenya.	The correlation analysis that tested the level and significance of relationships of research variables confirmed that effective strategic leadership affects organizational performance.	The study focused on corporate strategic direction, effectively managing corporate resource portfolio, emphasized effective organizational culture, emphasized ethical practices and balanced organizational controls.	The study focused on the impact of visionary, managerial, inspirational and transformational leadership affect performance
David, E. C., Fortin, J., Schubnel, A., Guéguen, Y., &Zimmerman, R. W. (2013).	The impact of transformational leadership styles on organizational performance in the Nigerian work context	It was discovered from the study that transformational leadership style had a solid positive impact on organizational performance	Organizational performance was measured based on three measures of performance namely effort, satisfaction and effectiveness.	The study used market share, efficiency, volume of sales and production.
Walter O Oyaya (2017)	Influence of leadership style on performance of construction projects	There is significant influence of transformational leadership style on performance of construction projects	The study used pilot test in measuring reliability of the instruments of collecting data	The study used Cronbach’s alpha in measuring reliability of the instruments of collecting data

Source: Researcher, (2018)

In all these studies, literature reveals that Kenya and in particular the impact of different aspects of strategic leadership on organizational performance in tea estates in Nandi County has been less studied.

2.4 Conceptual Framework

According Mugenda and Mugenda (2003) conceptual framework is an illustrative demonstration of relations between variables to help the reader see the connection between the variables in the proposed study at a glance. The conceptual framework used in analysing the influence of strategic leadership on organizational performance of tea estate companies in Nandi County, Kenya is discussed in this section. The study had independent variables as visionary leadership, managerial leadership, inspirational leadership and transformational leadership. The dependent variable is the tea companies' performance measured by production and efficiency in the tea estate companies in Nandi County. The following is a diagrammatic representation of variables that impact on the organizational performance of tea estate companies in Nandi County, Kenya.

Independent variables

Strategic Leadership

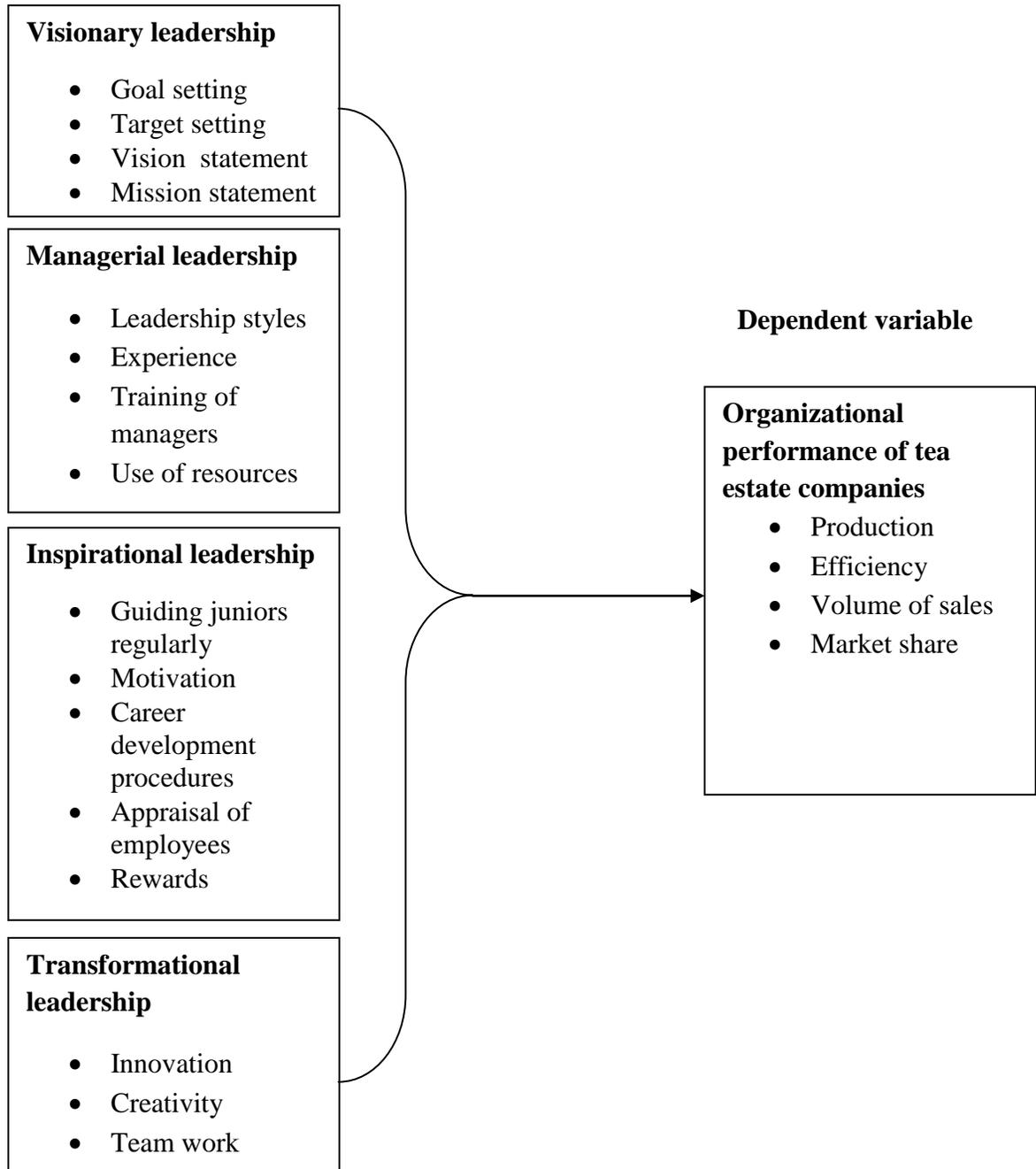


Figure 2.1 Conceptual Framework

Source: Researcher (2018)

Conceptual framework brings out clearly the relationship between strategic leadership and organizational performances of tea estate companies in Nandi County, Kenya. The independent variables that are visionary leadership, managerial leadership, inspirational leadership and transformational leadership and the dependent variables are production and efficiency. Thus the ability of a manager to have the qualities of a strategic leader is crucial since it impacts on the performance of organizations. That is the manager should develop clear goals and targets, clear vision and mission statements, motivating and rewarding the best performing employees, encouraging team work among the employees, constant appraisal of employees, encouraging employees to be innovative, creative and fostering teamwork, they should also have the necessary experience of the job and also ensure effective use of resources. All these will result to sufficient production and efficiency in production meaning that the companies will have enough products in the market and thereby having competitive advantage and also customers will be satisfied since the product will be of good quality and fair price.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

Kothari (2003) defined research design as the choice concerning what, where, when, and how much regarding an analysis on research study. The study used descriptive survey research design. This research design answers questions such as who, what, when, where or how much. Descriptive research design try to find data giving prevailing phenomena by asking persons about their observation, perceptions, approach, attitude. This type of research design leads to responses that are of high quality and low denial rates. The design also does not consume a lot of time and therefore it was fit for this study as argued by Cooper and Schindler, (2008).

3.2 Target Population

There are nineteen tea estate companies in Nandi County, the smallholder farmers' agency, KTDA, has two factories in Nandi County-Chebut in Kapsabet and Kaptumo in Nandi Aldai Sub County. Multinational firms have sixteen tea state companies while the state-owned Nyayo Tea Zones Development Corporation has one at Kipchabo in Chesomei Sub County, Tuwei and Tully (2016)

The target population consisted of top, middle and lower level managers of the tea estate companies in Nandi County since they act as the strategic leaders. The respondents were one top level manager, two middle level managers and three lower level managers from

each tea estate company in Nandi County. According to report of tea board of Kenya of 2014, the target population was 114.

Table 3.1: Distribution of Target Population

Description	Number of respondents From the nineteen (19) tea estate companies	Total number of respondents from each group
Top level managers	One (1) from each tea company	19 top level managers
Middle level managers	Two (2) from each tea estate company	38 middle level managers
Lower level managers	Three (3) from each tea estate company	57 lower level managers
	Total	114

Source: Tea board of Kenya report of 2014

3.3 Sampling Design

This study adopted the use of stratified and simple random sampling techniques. Mugenda and Mugenda (1999) suggested that in descriptive studies, ten per cent to thirty per cent (10%-30%). In view of this concept the study concentrated on a sample of thirty per cent (30%) of the nineteen (19) tea estates in Nandi County. This resulted to six (6) tea estates that were studied. The study then used random number generator in selecting the six tea estates to be studied.

Table 3.2: Distribution of Sample Size

Description	Number of respondents From the six (6) tea estate companies	Total number of respondents from each group 30% of target population
Top level managers	One (1) from each tea estate company	6 top level managers
Middle level managers	Two (2) from each tea estate company	12 middle level managers
Lower level managers	Three (3) from each tea estate company	18 lower level managers
Total		36 respondents

Source: Tea Board of Kenya Report of 2014

3.4 Data Collection Instruments

The study used questionnaires for collecting data, which was constructed based on the research objectives. This is because they are convenient and easy to gather information from a huge number of participants and also enable the researcher get information from the (Kothari 2004)

3.4.1 Validity and Reliability of Research Instrument

Kothari (2004) defined Validity as the magnitude to which variances institute by measuring instrument give accurate variances between those under test. Validity refers to the degree to which an instrument can measure what it is invented to measure and implies the extent to which a device seeks the collect inquiries in terms of exactness and the degree to which the research instrument is emanates from the research objective. Content validity were determined through discussion of research instrument with the supervisor and lecturers from Kenyatta university school of business and they helped in checking of

the appropriateness of the research instruments if it measures what it ought to measure. Content validity was also determined by conducting pilot study where responses were checked if it is addressing research objectives. The reliability of the research instrument is found by conducting preliminary study in the tea estates used for the study in order to observe the consistency in response

3.5 Data Collection Procedure

The study used both primary data and secondary data. The primary data was collected from the managers in the selected tea estate companies through the use of questionnaires. The researcher distributed the questionnaires to all the respondents selected and collected the filled questionnaires after two days. This provided the respondents with ample time to fill the questionnaires and seek any clarifications from the researcher. The questionnaire contained both closed and open ended questions.

3.6 Data Analysis

The questionnaires that were completed by respondents were edited to ensure that they are accurate and complete. The data was coded and entered in statistical software. Quantitative data was analysed using descriptive statistics such as mean, mode, and standard deviation with the aid of statistical package for social science (SPSS). The model expressed as;

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

Where: Y = Organizational performance

β_0 = Constant

$\beta_1, \beta_2, \beta_3$ = Coefficients of the independent variables

$X_1 =$ Visionary leadership

$X_2 =$ Managerial leadership

$X_3 =$ Inspirational leadership

$X_4 =$ Transformational leadership

$\varepsilon =$ Error Term

Table 3.3: Operationalization and Measurement of Variables

Variable	Variable	Indicators	Operationalization
Strategic leadership	Independent variable	Visionary leadership	
		Goal setting	Number of goal setting meetings
		Target setting	Number of target setting meetings
		Vision statement	Per cent of repeat sales
		Mission statement	Number of new products developed
		Managerial leadership	
		Leadership styles	Type of leadership adopted
		Experience	Number of senior managers in the company
		Training of managers	Level of productivity
		Use of resources	Amount wasted in production
		Inspirational leadership	
		Guiding juniors	Number of junior staff working under the manager
		Motivation	Employee turnover
		Career development	Availability of proper career guidelines.
Appraisal of employees	Number of appraisals per year		
Rewards	Number of employees rewarded		
Transformational leadership			
Innovative	Number of new products developed		
Creative	Quality of the products		
Organizational Performance	Dependent	Team work	Problem solving
		Production	Amount of output
		Efficiency	Percentage of wastage
		Internal operations	Duration of time to produce a single unit
		Employee turnover	\Percentage of employees resigning per month

Source; Researcher. 2018

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Response Rate

The study had a sample size of 36 to whom questionnaires were administered. 32 employees responded to the study questionnaires, giving the study a response rate of 89%.

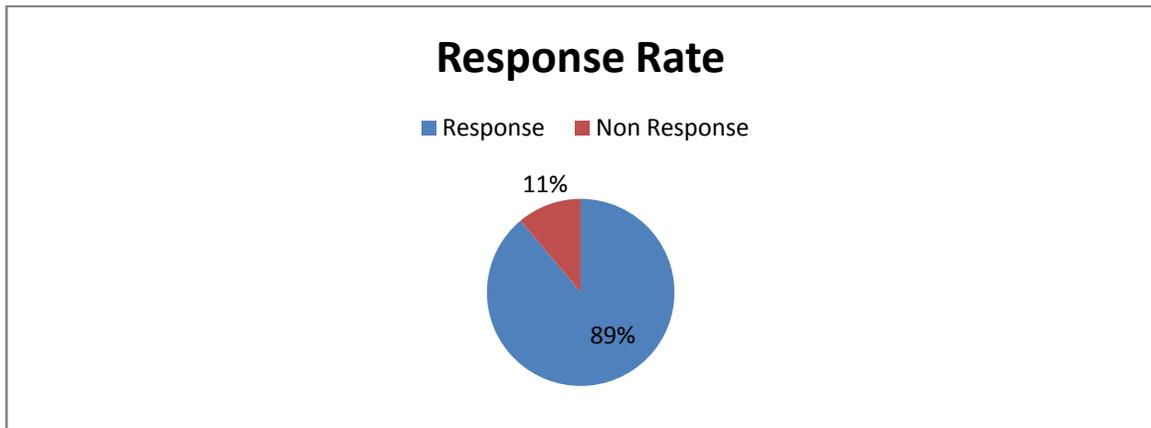


Figure 4.1: Response Rate

Source: Research Data, (2018)

This high reply rate can be ascribed to the statistics compilation procedures, where the canvasser pre-notified the latent participants of the intended survey, used plunge and single out method. All-in-all, the questionnaires were self-administered; that is, the respondents completed them and were picked thereafter, which gave them greater freedom and motivation to objectively fill-in the questionnaires.

4.2 Reliability

Since the research used multiple Likert questionnaires in data collection, it was therefore necessary to test interior steadiness. The researcher used Cronbach's alpha. Results are as shown in table 4.1.

Table 4.1: Reliability Statistics on Visionary Leadership

Variables	Cronbach's Alpha ^a	N of Items
Visionary leadership	0.812	9
Managerial leadership	0.845	12
Inspirational leadership	0.715	11
Transformational leadership	0.764	8
Overall score 0.789		

Source: Research data, (2018)

The statistical package for social science computed Cronbach's alpha for visionary leadership, managerial leadership, inspirational leadership and transformation leadership was 0.812, 0.845, 0.715 and 0.764 respectively which were all above the least acceptable measure of reliability of 0.70. The reliability score of 0.789 indicate a high reliability of research instrument.

4.3 General Information

This section presents the general information about the sampled tea estate companies for the purposes of profiling. It, thus, contains the length of time the firms had been in operation, number of employees, ownership of the firm and firm's sales turnover.

4.3.1 Length of Time in Operation

The researcher sought respondents to indicate the number of years the company has been in operation and finding represented on table 4.2

Table 4.2 Length of Time in Operation

Experience in years	Frequency	Percentage
5- 10	5	15.6%
11-15	8	25%
16-20	13	40.6%
Over 20	6	18.75%
Total	32	100

Source: Research Data, (2018)

The length of time that the firms had been in operation was sought. Table 4.1 shows that 14.8% of the tea estate companies had operated between 5 – 10 years, 24.1% had been in operation between 11- 15 years, 40.7% had operated between 16 – 20 years while the remaining 20.4% had operated for over 20 years.

4.3.2 Number of Employees

The questionnaires sought respondents on the number of employees and response are represented in table 4.3

Table 4.3 Number of Employees in an Organization

Number of Employees	Frequency	Percentage
1-50	0	0%
51-100	8	27%
101-150	20	62.5%
Over 150	4	12.5%
Total	32	100%

Source: Research Data, (2018)

None of them had from 1-50 employees. 27.0% of the respondent indicated that they had between 51-100 employees, 62.1% had were between 101-150 employees, 10.8% were Over 150 employees.

4.4 Descriptive Statistics

The study sought to assess the relationship between strategic leadership and performance in Tea estate companies in Nandi County in Kenya. To do this, the researcher identified four independent variables namely: visionary leadership, managerial leadership, leadership and transformational leadership. The dependent variable was organization Performance. The descriptive statistics was done using mean and standard deviation.

4.4.1 Visionary Leadership

The researcher sought respondent opinion on the effect of visionary leadership on organizational performance

Table 4.2: Visionary Leadership

	Mean	Std. Dev
Number of goal setting meetings leads to good formulation of goals of a company	4.03	.577
Number of goal setting meetings affects organizational performance of a company	4.00	.752
Setting new targets affects performance of a company	3.04	1.091
Number of meetings on targets leads to good formulation of targets of company	3.04	1.082
Number of target setting meetings affects organizational performance	3.15	1.058
There is need for a vision statement in a company for an increase in percentage of repeat sales	3.05	1.058
Aggregate Mean	3.385	0.936

Source: Research data (2018)

From the findings, the respondents were in agreement that the number of goal setting meetings leads to good formulation of goals (mean of 4.03) and the variation in organizational performance is low (standard deviation of 0.577). Setting new targets moderately affects performance of a company (mean of 3.04) and variation in

performance in noticeable (standard deviation of 1.091). Number of target setting meetings affects organizational performance to a moderate extent (mean of 3.04). The variation in the outcome is noticeable (standard a deviation of 1.082). Setting new targets affects organizational performance to a moderate extent (mean of 3.15) and the variation in outcome is noticeable (standard deviation of 1.058). The need for vision statement to increase percentage of repeated sales is moderate (mean of 3.05) and the variation in outcome is noticeable (standard deviation of 1.058). The variation in outcome is noticeable (standard deviation of 1.091). Since all the means were ranging between 3 and 4 it implied that, visionary leadership affects organization performance. This supports Robbins (2007) who concluded that visionary leadership provides linkage between present and future of an organization and also motivates employees to build a bond with future goals

4.4.2 Managerial Leadership

The researcher sought respondent opinion on the effect of visionary leadership on organizational performance

Table 4.3: Role of Managerial Leadership on Organizational Performance

	Mean	Std dev.
Managerial leadership style adopted affects productivity	3.08	1.079
Managerial leadership applied affects efficiency	4.04	.567
Managerial experience as per the number of senior managers improves production of the firm	3.19	1.080
Managerial experience as per the number of senior managers improves efficiency of the firm	4.02	.752
Training of managers in relevant fields improves productivity	3.16	1.022
Training of workers reduces wastage hence efficiency	3.02	1.015
Managerial leadership style adopted affects productivity	3.05	.936
Aggregate Mean	3.14	.87

Source: Research data (2018)

Managerial leadership style adopted moderately affects productivity (mean 3.08). The variation in productivity due to the leadership is noticeable (standard deviation of 1.079). Managerial leadership applied greatly affects efficiency and improves production (means of 4.04). The variation is low (standard deviations of 0.567). Experience in management somehow improves production of the firm (mean of 3.19). The variation in production is noticeable (standard deviation of 1.080). Experience in management significantly improves organizational efficiency (mean of 4.02). The variation in efficiency is low (standard deviation of 0.752). Training of managers and workers in relevant fields improves productivity and reduces wastage (mean of 3.16 and 3.02 respectively). The variations are noticeable (standard deviations of 1.022 and 1.015 in that order). The leadership style adopted affects productivity to a moderate extent (mean of 3.05) and variation is low (standard deviation of 0.936). Since all the means were ranging between 3 and 4 it implied that, all the responses were internally consistent and moderate in likert scale. Managerial leadership is a determinant in organization performance. According to Birman, Desimone, Porter and Garet, (2000) firms operating in the knowledge-based economy become more and more reliant on the skills and facts of their personnel. The research finding therefore supported their views.

4.4.3 Inspirational Leadership

The researcher sought respondent opinion on the effect of inspirational leadership on organizational performance.

Table 4.4: Influence of Inspirational Leadership on Organizational Performance

	Mean	Std. Deviation
Guiding juniors regularly leads to reduced wastage	3.09	1.016
Motivating employees helps to minimize employee turnover	3.08	.907
Motivating employees results in efficiency in the organization	3.13	.971
Career development and the subsequent career guidelines leads to productivity	3.01	1.020
Employee rewards encourage efficiency in a company	3.04	1.004
Performance appraisal leads to improved internal operations	3.18	.869
Reward systems improve productivity of firms	3.06	.952
Aggregate Mean	3.10	1.128

Source: Research Data, (2018)

The study found out those guiding juniors regularly satisfactorily reduces wastage (mean of 3.09). The variation in reduction of wastages is slightly low (standard deviation of 1.0160). Motivating employees occasionally minimize employee turnover (mean of 3.08). The variation in employee turnover due to motivation is low (standard deviation of 0.907). Motivating employees has a medium effect in efficiency of the organization (mean of 3.13). The variation in efficiency is low (standard deviation of 0.971). Career development and the subsequent career guidelines are somewhat important in productivity (mean of 3.01). It leads to little variation in productivity (standard deviation of 1.020). Employee rewards encourage medium efficiency in a company (mean of 3.04) and leads to some variation in the efficiency (standard deviation of 1.004). Performance appraisal leads to slightly improved internal operations (mean of 3.18). The variation in the operations is low (standard deviation of 0.869). An aggregate of 3.10 indicate that inspirational leadership which is moderate on likert scale to some extent affect organizational performance. According to Thomson, and Gamble, (2001) the strategic managers have to focus on forming transformational leadership. Strategic leadership evolves either from a process of winning group commitment through a coalitional form

of decision-making or as a result of complete coalitional involvement of implementation staff through a strong corporate transformational leadership.

4.4.4 Transformational Leadership

The researcher sought respondent opinion on the effect of inspirational leadership on organizational performance and findings are represented in table 4.5

Table 4.5: Transformational Leadership

	Mean	Std. Deviation
Innovation results in development of new product and increased production	3.07	1.112
Innovation helps improve on efficiency of a company and Creativity determines quality of the products	3.03	1.087
Creativity leads to efficient utilization of resources and results in sufficient production in a company	3.02	1.082
Teamwork helps in solving employee turnover problem and teamwork results to improved internal operations	3.01	1.078
Transformational leadership affects organizational performance	3.03	1.132
Aggregate Mean	3.02	1.162

Source: Research data (2018)

Innovation occasionally results in development of new products which leads to increased production (mean of 3.07) whose variation is noticeable (standard deviation of 1.112). Innovation occasionally helps to improve efficiency in a company and creativity determines quality of the products (mean of 3.03). The variation in quality is slightly low (standard deviation of 1.087) creativity occasionally leads to efficient utilization of resources and results in sufficient production (mean of 3.02). The variation in productivity is quite noticeable (standard deviation of 1.082). Teamwork just helps in solving employee turnover problem and results in improved internal operations (mean of 3.01). It leads to some variation in the outcome (standard deviation of 1.078) while

transformational leadership occasionally affects organizational performance (mean of 3.03) whose variation is a slight increase (standard deviation of 1.132). These findings implied that transformational leadership was somehow an important factor in organizational performance and depends on the level of leadership demonstrated in terms of strategic directions and employee support. Aggregate mean of 3.02 it implied that, transformational leadership rated on a likert scale has a moderate effect on organizational performance. The view similar to Reilley's (2010) argument that role of the leader is important if an organization wants to implement a new strategy.

4.4.5 Organizational Performance

The respondents were required to indicate to what extent they thought strategic leadership had led to the improvement of the following aspects of organization performance.

Table 4.6: Organization Performance

	Mean	Std. Dev.
Goal setting affects organizational performance	3.02	1.063
Vision and mission statement determines organizational performance	3.03	1.068
Efficiency and internal operations play important role in organizational performance	3.18	1.009
Productivity determines organizational performance	3.13	1.079
Volume of sales directs organizational performance	3.06	1.003
Return to farmers in terms of bonus influence organizational performance	3.09	.996
Improved innovation, creativity, teamwork	4.16	.707
Guiding juniors regularly, motivation, career development procedure, appraisal of employees, rewards affects organizational performance	3.39	.994
Market share is crucial in organizational performance	3.17	1.035
Aggregate Mean	3.28	1.008

Source: Research Data, (2018)

Goal setting, vision and mission statement, efficiency and internal operations, productivity volume of sales and return to farmers and market share had medium affects an organizational performance (mean of 3.02, 3.03, 3.18, 3.13, 3.06, 3.09 and 3.17 respectively). The variation in performance due to the variables is somewhat low (standard deviation of 1.063, 1.068, 1.009, 1.079, 1,003, 0.996, and 1.035 respectively). Guiding juniors regularly, motivation, career development procedure, appraisal of employee's rewards had satisfactory effects on organizational performance (mean of 3.39). Production, efficiency, volume of sales and market share with an aggregate mean of 3.28 to some extent affect organizational performance. The finding of this research supports Azhar, Ikram Rashi and Saqib (2013) that strategic selection and style of its implementation define organizational performance and Rowe (2013) that strategic leadership is a combination of different leadership styles.

4.5 Inferential Statistics

Inferential statistics were performed to determine the effect of strategic leadership on organizational performance.

4.5.1 Correlation Analysis

The study explored the Pearson's correlation coefficient which was used to illustrate the effect of strategic leadership on organizational performance between pairs of variables, that is visionary, managerial, inspirational and transformational leadership

Table 4.7: Correlation Analysis using SPSS Version 16

	Organization performance	Visionary leadership	Managerial leadership	Inspirational leadership	Transformational Leadership
Organization performance	1				
Visionary leadership	.845**	1			
Managerial leadership	.796**	.858**	1		
Inspirational leadership	.829**	.778**	.739**	1	
Transformational Leadership	.831**	.753**	.711*	.759*	1

Source: Research Data, (2018)

Based on the Pearson correlation scale for values of 0.0-0.3 there is no correlation, 0.31-0.7 is a weak correlation and a correlation value above 0.7 is a strong correlation (Yucel, 2012). All the study's variables had a strong correlation, meaning that the variables vary in the same direction which implies that they affect performance positively. Testing at 95% significance level for all the variables indicating that they all had a positive, strong relationship as indicated by correlation values above 0.7. This therefore implied that independent variables were significant in determining performance of tea estates in Nandi County.

4.5.2 Multiple Regression Analysis

The model summary was used to predict the value of dependent variable using independent variables. The independent variables were the visionary, managerial, inspirational and transformational leadership.

Table 4.8 Coefficient of Determination Computed Using SPSS16

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.912 ^a	.832	.825	2.942

a. Predictors: (Constant), Visionary leadership, Managerial leadership, Inspirational leadership, transformational leadership

Source: Research Data, (2018)

The results show that the linear correlation coefficient R is 0.912 which indicates a strong linear relationship between the dependent and the independent variables (Visionary leadership, Managerial leadership, inspirational leadership, and Transformational leadership). This means that the dependent variable and the predictors have a strong linear relationship and when the independent variables increase the dependent variable increases and a reduction will also result in a decrease in the dependent variable R² equals 0.832 which means that 83.2% of variation in organizational performance (dependent variable) can be explained by the independent variables in the equation (Mugenda and Mugenda, 2004). R²= 0.825, which means that 82.5 % of variance of the dependable variable (organization performance) was explained. The standard error of the estimate represents the average distance that the observed values fall from the regression line (2.941) which means the data points on average are 2.941% away from the line of fit which is okay because it's less than 5% which is considered high.

Table 4.9: Analysis of Variance of Visionary Leadership

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7661.966	3	964.452	56.429	.000b
	Residual	987.731	41	11.310		
	Total	8649.697	42			

a. Predictors:(Constant), visionary leadership

b. Dependent Variable: Organizational Performance

Source: Research Data, (2018)

Analysis of Variance (ANOVA) revealed that visionary leadership had a significant effect on organizational performance (F= 56.429, P (0.000) which was less than 0.05.

Therefore visionary leadership was significant in predicting organizational performance.

Table 4.10: Analysis of Variance of Managerial Leadership

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4161.236	3	101.406	11.450	.000b
	Residual	131.978	18	8.780		
	Total	4293.212	21			

a. Predictor: (Constant), managerial leadership

b. Dependent Variable: Organizational Performance

Source: Research Data, (2018)

Analysis of Variance (ANOVA) revealed that managerial leadership had a significant effect on organizational performance (F= 101.406, P (0.000) which was less than 0.05.

This showed that managerial leadership was significant.

Table 4.11 Analysis of Variance of Inspirational Leadership

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2367.987	4	345.342	8.902	.001b
	Residual	456.675	36	123.784		
	Total	2824.662	40			

a. Predictor: (Constant), inspirational leadership

b. Dependent Variable: Organizational Performance

Source: Research Data, (2018)

Analysis of Variance (ANOVA) indicated that inspirational leadership had a significant effect on organizational performance (F= 8.902, P (0.001) which was less than 0.05. Therefore inspirational leadership was significant in predicting organizational performance.

Table 4.12: Analysis of Variance Transformational Leadership

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6732.139	4	16.901	4.213	.002b
	Residual	1018.920	37	231.592		
	Total	4883.710	41			

a. Predictor: (Constant), transformational leadership

b. Dependent Variable: Organizational Performance

Source: Research Data, (2018)

Analysis of Variance (ANOVA) indicated that transformational leadership had a significant effect on organizational performance (F= 4.213, P (0.002) which was less than 0.05. Therefore transformational leadership was significant in predicting organizational performance.

Table 4.13: Coefficient Computed Using SPSS Version 16

Model		Un-standardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.113	1.750		2.350	.021
	Visionary leadership	.485	.154	.292	3.143	.002
	Managerial leadership,	.190	.141	.144	1.346	.181
	Inspirational leadership,	.454	.099	.324	4.568	.000
	Transformational leadership	.366	.101	.272	3.634	.000

a. Dependent Variable: Organizational Performance

Source: Research Data, (2018)

From the regression results, the model becomes;

$$Y = 4.113 + 0.485X_1 + 0.190X_2 + 0.366X_3 + 0.454X_4 + \varepsilon$$

According to the regression equation above, taking all variables, visionary leadership, managerial leadership inspirational leadership and transformational leadership to be constant at zero organizational performance in tea estate companies in Nandi County will be 4.113. The data findings analyzed also showed that taking all other independent variables at zero, a unit increase in visionary leadership other factors remaining the same will lead to a 0.485 units increase in organizational performance with p-value of 0.181 which was more than the alpha value of 0.05 implying that although they are positively correlated, it is not a significant determinant; a unit increase in managerial leadership will lead to a 0.190 units increase in organizational performance with p-value of 0.002 which was less the alpha value of 0.05 implying that it is a significant determinant of performance; holding all factors constant, a unit increase in inspirational leadership lead

to 0.454 units increase in performance with p-value of 0.000 which was less than the alpha value of 0.05 implying that it is significant determinant of performance in tea estates in Nandi County; holding other factors constant, a unit increase in transformational leadership holding all other factors constant will lead to a 0.366 units increase in organizational performance with p-value of 0.000 which was less than the alpha value of 0.05 implying that, it is no significant determinant of performance;

According to Bass (2005) the transformational theory postulates that leaders must be able to motivate the workers for the employees to work beyond the expectation and thereby resulting to good performance since the market has become very competitive, while a unit increase in inspirational leadership other factors constant will lead to a 0.454 units increase in organizational performance. Visionary leadership contributes most to the organizational performance followed by leadership, transformational leadership and managerial leadership respectively.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The objectives of this study were: To establish the effect of visionary, managerial, inspirational and transformational leadership on organizational performance of tea estate companies on organizational performance of tea estate companies in Nandi County, Kenya. It was found that visionary leadership

5.1.1 Visionary Leadership

With respect to the effect of visionary leadership on organizational performance, the respondents agreed that organizational performance greatly depends on vision of the management. The respondents agreed that the number of goal setting meetings leads to good formulation of goals of a company and thus resulting to improved organizational performance. However, some respondents moderately agreed that setting new targets, number of goal setting and target setting meetings and having enough number of well-trained human resources leads to improved organizational performance. This implied that organizational performance is dependent on visionary leadership which results to increase in percentage of repeat sales. The effectiveness of firm strategies depends on the utilization and exploitation of existing resources. Visionary leadership was significant in determining organizational performance with P value of 0.002.

5.1.2 Managerial Leadership

The respondents agreed that managerial leadership style adopted affects productivity and efficiency. However, the respondents moderately agreed with the statements that managerial experience as per the number of senior managers, training of managers in relevant fields, providing training on strategic leadership and training workers results to improvement in production of the firm, efficiency of the firm and helps in reducing wastage. Managerial leadership was not significant in determining organizational performance with P value of 0.181.

5.1.3 Inspirational Leadership

From the study also it is evident that a strong inspirational leadership was vital to organization performance whereby the respondents moderately agreed that guiding juniors regularly leads to reduced wastage. Motivating employees helps to minimize employee turnover and improve efficiency in the organization. Also career development and subsequent career guidelines leads to productivity. Another thing is that rewarding employees encourage efficiency in a company and also performance appraisal leads to improve internal operations. Reward systems improve productivity of firms. The strategic managers have to focus on forming an organizational transformational leadership to adjust to strategies through creating common values, defining ethical criteria, creating a workplace which supports strategies and creating high achievement motives in the Inspirational leadership of organization. Inspirational leadership was significant in determining organizational performance with P value of 0.000.

5.1.4 Transformational Leadership

In terms of transformational leadership the respondents were in agreement that, innovation results to new products development and new product development leads to increased production and efficiency in a company. Creativity determines quality of the products, results to efficient utilization of resources and sufficient production in a company. Teamwork helps in solving employee turnover problem and teamwork results to improved internal operations and thus transformational leadership affects organizational performance. These findings implied that transformational leadership was an important factor of organization performance and depending on the level of leadership demonstrated in terms of strategic directions and employee support, performance would either go up or down. These findings implied that transformational leadership was an important factor of organization performance and depending on the level of leadership demonstrated in terms of strategic directions and employee support, performance would either go up or down. Transformational leadership was significant in determining organizational performance with P value of 0.000.

5.2 Conclusion

Visionary leadership was significant in determining organizational performance and positively correlated. Managerial leadership was not a significant determinant of organizational performance and too was positively correlated to organizational performance. Inspirational leadership was a significant determinant of organizational performance and positively correlated to organizational performance. Transformational leadership was a significant determinant of organizational performance. It had a

positively correlation with organizational performance Managers should inspire and encourage employees to work effectively and move in the same direction to reach objectives of the companies. Tea estate companies in Nandi County leaders should embrace change and implement strategies intended to position the organization to succeed in future. In addition they should stress toward the mission and vision all the time in order to achieve above average performance by creating an effective strategy.

5.3 Recommendation for Further Research

Since this research was restricted to Nandi County, researcher recommends that a similar study be conducted but increasing the scope of study be widened to enable more generalizable results.

APPENDIX I

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APPENDICES

Introductory Letter

Ahmed Kher Abdi

Kenyatta University

Dear Sir/Madam

I am a student at Kenyatta University doing a research on the title “**Strategic leadership on organizational performance of tea estate companies in Nandi County, Kenya**”

Attached please find a copy of self-administered questionnaire. Kindly answer the questions as comprehensively and honestly as possible. In no way will your name or name of your organization appear in the final report.

Your participation in this exercise shall be highly appreciated.

Thank you in advance.

Yours faithfully,

Ahmed Kher Abdi

Kindly fill the table below according to the level of agreement or disagreement with the statements below;

Visionary leadership	1	2	3	4	5
Number of goal setting meetings leads to good formulation of goals of a company					
Number of goal setting meetings affects performance of a company					
Setting new targets affects outcome of a company					
Number of meetings on target leads to good formulation of targets of a company					
Number of target setting meetings affects performance					
There is need for a vision statement in a company for an increase in percentage of repeat sales					
There is need for a mission statement for new products to be developed in a company					
Having clear mission increases on the market share of the company					
Visionary leadership affects the level of performance of a company					

In your opinion would you company perform better if more visionary leaders were brought on board? Kindly give your comment:

Section 3: Managerial leadership and organizational performance

1. How many years have you been on managerial capacity? (tick one):

1-4 years [] 5-8years [] 9-10 years [] over 10 years []

2. What is your highest level of education? (tick one):

Diploma certificate [] Undergraduate degree [] Post graduate degree []

Kindly fill the table below according to the level of agreement or disagreement with the statements below;

Managerial leadership	1	2	3	4	5
Managerial leadership style adopted affects productivity					
Managerial leadership applied affects efficiency					
Managerial experience as per the number of senior managers improves production of the firm					
Managerial experience as per the number of senior managers improves efficiency of the firm					
Training of managers in relevant fields improves productivity					
Training of workers reduces wastage hence efficiency					
Managerial leadership plays crucial role in organizational performance					

What is your opinion on the effect of managerial leadership on organizational performance:.....

Section 4: Inspirational leadership and organizational performance

1. How many employees work under your supervision? (tick one):

1-20 [] 21-50 [] 51-70 [] over 80 []

2. How often do you appraise performance of employees? (tick one):

Quarterly [] Semi-annually [] annually [] others: _____

Kindly fill the table below according to the level of agreement or disagreement with the statements below;

Inspirational leadership	1	2	3	4	5
Guiding juniors regularly leads to reduced wastage					
Motivating employees helps to minimize employee turnover					
Motivating employees results in efficiency in the organization					
Career development and the subsequent career guidelines leads to productivity					
Employee rewards encourage efficiency in a company					
Performance appraisal leads to improved internal operations					
Reward systems improve productivity of firms					
Inspirational leadership influence organizational performance					

What is your opinion on the effect of inspirational leadership on organizational performance:.....

Add any other information that might be helpful for this study:

.....

Section 5: Transformational leadership and organizational performance

1. How many new products are developed in a year? (tick one):

1-20 [] 21-50 [] 51-70 [] over 80 []

2. How often do you take into consideration new ideas from other employees? (tick one):

Quarterly [] Semi-annually [] annually [] others: _____

3. How many brands of tea do you process:

Kindly fill the table below according to the level of agreement or disagreement with the statements below;

Transformational leadership	1	2	3	4	5
Innovation results to new products development					
New product development leads to increased production					
Innovation helps improve on efficiency of a company					
Creativity determines quality of the products					
Creativity leads to efficient utilization of resources					
Creativity in a company results to sufficient production					
Teamwork helps in solving employee turnover problem					
Teamwork results to improved internal operations					
Transformational leadership affects organizational performance					

Add any other information that might be helpful for this study:

.....

Part 6. Organizational Performance

Kindly indicate the level of agreement with the following statement

	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Goal setting affects organizational performance					
Vision and mission statement determines organizational performance					
Efficiency and internal operations plays important role in organizational performance					
Productivity determines organizational performance					
Volume of sales directs organizational performance					
Return to farmers in terms of bonus influence organizational performance					
Improved innovation, creativity, teamwork					
Guiding juniors regularly, motivation, career development procedure, appraisal of employees, rewards affects organizational performance					
Market share is crucial in organizational performance					

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