

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

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**D53/OL/CTY/27510/2018**

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN  
PARTIAL FULFILLMENT FOR THE AWARD OF MASTER DEGREE IN  
BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT OPTION) AT  
KENYATTA UNIVERSITY**

**APRIL, 2021**

## ABSTRACT

In Kenya, there is evident declining results in the Tea sector in regard to sector competitors prices from competing countries, commitment of workers and declarations of bonuses. On the same note, although tea earns the country the second largest share of export, there has been inefficiency in production and insufficient demand for sale volume of tea over the last decade. The study aimed to determine the influence of strategic leadership practices on Tea companies performance in Nandi County, Kenya. The study's specific objectives were; to evaluate the effect of strategic direction, competencies in leadership, organisational control and ethical issues on tea companies performance in Nandi county, Kenya. Resource based view theory, strategic leadership theory, the upper echelons theory and trait leadership theory were used to explain the interrelationship between variables. Empirical literature reviewed scholarly studies on strategic leadership and its relationship with organizational performance. Descriptive research methodology was used. The unit of analysis were the management staff at the 9 tea organisations in Nandi County who total to 121. The survey adopted a census study of all 121 respondents for the population was small and manageable. Semi structured questionnaire through the self administration method was used to collect data from the primary sources. Both content and construct validity were determined. On the other hand, construct validity was achieved by use of factor analysis where factor loadings for all the items in the questionnaire were determined. Reliability test was done through Alpha test. Descriptive statistics were generated and represented by percentages, frequencies, standard deviation and mean. Analysis of data was performed with the aid of SPSS and presented through charts, graphs and tables. Inferential statistics included correlation and regression analysis which tested the association between independent and dependent variables. The research results add value to the areas of strategic leadership and tea sector performance. The study found that most of the tea factories management uses guiding vision statement, mission statements, firms objectives and tea factory's guiding principles to guide their strategic direction. The study found that to a great extent training and development of employees, career development, performance appraisal, rewards and compensation greatly affected tea factories performance. Ethical principles as a practice of strategic leadership were highly practiced. In addition, the findings further presented that codes of conduct and core values were greatly followed by the tea factory administration. Further, the findings indicated that implementation of control within the factories was given more consideration. The research study concluded strategic direction, leadership competencies, ethical practices and organizational control significantly and positively affects performance of Tea factories. The study recommended that the management of Tea factories should focus on developing an organization's path through the creation of a vision, purpose, and core values through strategic leadership.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

To a great extent, organizational performance requires an association's actual yield or after effects as evaluated against its proposed yields (objectives or goals) (Dunjia, 1997). An productive company is the one that performs admirably and that achieves its goals and performs necessary procedures adequately. Amstrong (1994) defines performance as the record of results achieved on a specified task or procedure during a specified period of time. Therefore, performance is evaluated in terms of output, outcomes, benefits, internal procedures and processes, organisation, employee attitudes and organizational environmental responsiveness among other things (William 2012). Najmi, Kadir and Kadir (2018) studies about strategic management whose dependent variable is organizational performance are not consistent on the performance parameters used. This implies that indicators for measurement of the performance of an organization are multidimensional. The Balanced Scorecard (BSC) parameters of organizational performance will be used in this study as the organizational performance measures. The use of BSC perspectives for assessing organizational performance could be considered as a generic organizational performance multidimensional model.

Strategic leadership is the ability for organizations to predict, foresee and retain flexiility and motivate others to create a strategic opportunity and a sustainable organizational future (Kjelin, 2009). According to Beatty (2010) strategic plan is just a plan; in choices that people make are the real objectives of an organization. Strategic leaders look forward to setting

guidelines for the organisation in time. When they search and interact with the vital sectors of their world, their power is enhanced (Hambrick, 2011). They develop organizational goals and strategies, create organizational frameworks, procedures, inspections and core competence, manage numerous constituencies, select major executives, build the next generation of executives, direct organizational strategies, maintain an efficient corporate culture, maintain an ethical values framework and are the representative of organizational strategies.

Strategic leadership strategies need to resolve global instability, complexity, and data overload that require adaptability and scheduling in order to optimize corporate success. Skills in leadership strategy are important in the current competition world predicted for the century in the 21st. The source of sustainable competitive advantage is human and social resources, and therefore should be nurtured and produced with care (Hambrick, 2011). The fast and efficient information exchange in today's new, interconnected economy is the source of success. According to Aronson, McCarthy, Halawi (2015) sustainable competitive advantage is no longer built into the natural resources and properties, but into efficient intellectual capital channeling. The volatile, turbulent, uncertain, complex and heterogeneous competitive markets and global business environments have been in recent years. Thus, businesses have introduced valuable skills, capacities and techniques for their company processes and practices to promote excellence in industry, promote competitive growth, achieve corporate success, enhance corporate life, and promote corporate sustainability.

Strategy leadership is an ability to convince others to make daily voluntary choices that facilitate a company's long-term sustainability and maintain its financial feasibility in the short period of time. African Leaders Daresalaam Forum, which was organized under the theme 'Conference Challenges of Transformation Africa' by Uongozi Institute in collaboration with Benjamin Mkapa(Former Tanzanian president) agreed that Africa requires leaders who can address differences creatively, inclusively and effectively, to achieve a transformation. According to ECA -Economic Commission for Africa (2014) they agreed on Africa's need for leaders to turn these ideas into action and not lack ambition and ideas.

The researches' motivation is driven by the fact agriculture is the backbone and the major driver of the economy of this country and yet the industries that are reliant on agricultural farm products are encountering a myriad of challenges. These challenges are to a very large extent affecting their performance and consequently slowing down growth in the country's economy. Although the challenges bedeviling the tea industry particularly in Rift Valley region in Kenya are wide, the issue of strategic leadership cannot be simply wished away. It is essential that this study be carried to to determine the tea sector performance correlation with the strategic leadership practices in Nandi county being the hub and main region under KTDA with the largest tea growing but poorly performing in Kenya.

### **1.1.1 Organizational Performance**

The term performance is frequently discussed but rarely defined. According to Daft and Marcic (2013) the ability of a company to accomplish its goals through the effective and efficient utilization of resources is corporate performance. An successful company performs

well and meets its targets and executes the necessary procedures properly. Performance is described by Armstrong (1994) as the record of results produced during a specified period of time on a specified job function or operation. Therefore, performance, profit, domestic processes and procedures, corporate structures, staff's actions and environmental reactivity are calculated in terms of, among other metrics (William 2012). Organizational performance includes the actual performance or results of an organization based on its planned outputs (or goals and objectives). Corporate success encompasses three essential elements of the outcomes of company (Richard *et al.*, 2009). Indicators of financial performance include revenue, income, return on investment; profits and market share of the goods and shareholder return proxies, such as overall shareholder return and financial added value.

Many businesses have been trying in recent years to quantify organisational progress by using a balanced scorecard methodology, which monitor and assess performance at various levels, such as: shareholder returns measured by financial performance, corporate citizenship measured as well as workforce management and community outreach. PC is also used as a performance evaluation since it defines the objectives as the mission, outcomes to be accomplished and the attributes and skills necessary to achieve results. The results will be assessed by PC. The PC also describes behavior for reporting, monitoring and assessing performance (Strong, 2018). The study will measure organization performance with revenue growth, expenditure efficiency, market size and customer satisfaction.

### **1.1.2 Strategic Leadership Practices**

According to Kjelin (2009) the capacity of organizations to expect, visualise and uphold changes and inspire junior and senior employees to construct a premeditated and sustainable objective/s in the future. In his unpredictable, uncertain, complex, and ambiguous strategic environment, Guillot (2013) explains strategic leadership in order to formulate and enforce strategies and to follow the implications of an established, leading leader with vision and mission. Montgomery (2018) suggests that few leaders will think about the future and strategy. Each part of the company – from the business office to the loading dock – should be guidance provided by leaders. The current study operationalized strategic leadership practices based on Alayoubi, Al Shobaki and Abu-Naser (2020) who defines it in terms of strategic direction, ethical practices, competencies and control.

Strategic direction is often generally referred to as strategic purpose. It is a brief statement showing where the company needs to be. This is the future vision of a company's top management (Waithira, Waiganjo & Njeru, 2017). Strategic direction and goal is a strategic guidance. The principle is designed to retain a company's competitive advantage. It is the mechanism by which superior performance is maintained in public institutions, undermining the limits of the capital and ability of corporations. According to Waithira, Waiganjo and Njeru (2017), as companies follow aggressive targets and concentrate on competitive strategies to achieve goals, strategic direction emerges.

When making decisions on ethics-related matters, employee views of corporate ethics tend to act as ethical guidelines (Kish-Gephart, Harrison, & Treviño, 2010). Kaptein and Van Dalen

(2000) argued that three areas are protected by ethics; The ties with external stakeholder groups; its inner ethical functionings and morals and ethical actions of employees. These three dimensions correspond to three different studies of corporate ethics which focus on the ethical aspects of impact, sense and action. The internal ethics factor taps into Choe, Choong and Tan's law and code climate, (2017) as well as Mohammad and Husted's climate of law and technical codes (2019). This dimension relates to the degree to which an organization conducts its main functions and employs its workers in a manner that complies with socially imposed legal and ethical principles (Chun, Shin, Choi, & Kim, 2013).

Control of organisation implies the capacity of managers to explain the continued existence of the organization and to re-create it. The leader needs to be able to see how the company adds value and to look at developments both inside and outside the organization that challenge or offer a new potential for added value. Draft and Pirola-Merlo in 2009; Jing and Avery (2018); Irish and Hitt (2015) have suggested that in the 21st century, the notion of strategic leadership may be the best way to achieve a culture of better value in the public sector. Due to the influential and too hierarchical leadership models, the HRM culture and the lack of innovative management practices, the leadership of the public sector continues to face significant challenges. Several primary strategic leadership positions may be provided as tools to preserve the results of public entities (Ireland & Hitt, 2015). Organisational leadership play stewardship role in the organisation which involves control in term sof providing strategic direction (Alayoubi, Al Shobaki & Abu-Naser, 2020).



### **1.1.3 Tea Industry in Nandi County, Kenya**

In the North Rift of Kenya, Nandi County covers an area of 2,884.4 square kilometers. The county has an estimated population of 752,965, and for most people, tea forms the main source of income for it is the primary cash crop. It is noteworthy, however, that the production of tea in Nandi county faces several challenges ((Annual KTD report, 2017/2018)

In the past, Nandi County has experienced negative variations in the productivity of tea. This trend continued, despite the efforts of tea businesses and farmers to develop ways and method to combat that. The problem has been exacerbated by the county's economic development, as the farmers' primary source of income is tea increasing (Tea board Kenya report, 2018). Tea factories in the county are also facing challenges as tea prices fall while production costs rise.

Tea estates have tried in the county of Nandi to increase productivity by implementing new technologies that mitigate the growing production costs, foster innovation such as mechanical tea selection and develop new products to remain competitive in the marketplace. A remarkable example of this is the Chemartin Tea Company in Nandi County which has applied mechanization in tea plucking. In Nandi County, all these problems with teas add to the desire to provide productive and visionary, management, motivating and transforming leadership in Tea Estates in Nandi County.

## **1.2 Statement of the Problem**

The Kenyan Tea industry has seen a shrinking inclination in terms of results on bonus reports, competition with other countries which produce tea, inadequate engagement, inefficient production and insufficient markets to sell tea in the last ten years, despite tea being Kenya's second largest export commodity. Kenya's tea industry is usually focussed on the challenges that hinder tea industry success, especially in Nandi County. Certain of these are related to productivity, performance, amount of sales and share of the produce to the market..

As a result of the pay row, Nandi Tea Estate loses almost 150 million a year (Tanui, Feng, Wang & Kipsat 2012). In 2014 exports of Ksh 2.3 billion was done, Nandi tea estate exported 2.5 billion worth of tea in 2015. However, a decline was witnessed in 2016 and 2017 to 2.4 and 2.35 respectively. The shareholders' dividend for 2014, 2015, 2016 and was Kshs.14, Kshs.16, Kshs.16 and Kshs.15 respectively (Tea Board of Kenya report, 2018). Nandi tea estates need to secure an alternative market for their produce.

Studies in this area include Perez-Batres (2019) who focused on strategic leadership and performance but focused on different variables such as non-commitment of employees, ineffective use of resources, among others. This study presents the conceptual gaps on the strategic direction, leadership competencies, ethical practices and organisational control on performance. In the study on formulation and implementation of the strategy, Azhar, Ikram, Rashid and Saqib (2013) concentrated on the role of leadership. However, the report failed to concentrate on the impact of performance of the organizations and strategic leadership

practices, so it creates a conceptual gap that was covered by the current analysis. Finally, Jooste and Fourie (2009) concentrated on the role of strategic leadership in the successful implementation of strategies and found that strategic leadership is a key driver for the effective implementation of strategies.. The study similarly did not study the changes in organization performance as a results in units changes in strategic leadership practices. The study also present a conceptual gap that was covered by the current study.

### **1.3 Objectives of the Study**

This section presents the research objectives that guided the study.

#### **1.3.1 General Objectives**

The study examined the effects of strategic leadership practices on the performances of tea companies in Nandi county.

#### **1.3.2 Specific Objectives**

The following specific objectives guided the study;

- i. To determine the effect of strategic direction on Tea companies performances in NandiCounty,Kenya.
- ii. To find out the influence of leadership competencies on Tea companies performances in NandiCounty,Kenya.
- iii. To establish the effects of ethical practices on performances of Tea Companies in Nandi County,Kenya.

- iv. To evaluate the effect of organizational control on Tea companies's performance in Nandi County, Kenya.

#### **1.4 Research Questions**

The following research questions guided the study variables;

- i. To what extent do strategic direction affects tea companies' performance in Nandi County, Kenya?
- ii. What are the effect of competencies in leadership on Tea companies' performances?
- iii. Ho does ethical practices affect Tea companies performances in Nandi County, Kenya?
- iv. To what extent do organizational control affects the performances of Tea companies in Nandi County, Kenya?

#### **1.5 Significance of the Study**

The survey results would be useful to the different players not only in the tea industry but manufacturing. The factories should take advantage of the analysis as the findings show good practices in the field of stratetgic leadership and also recognize the factors influencing various styles of leadership and their positions in the success of the firms. The key results of the study would provide individual tea companies the opportunity to evaluate their management of the industry and other players.

The study would further be of significance to board of directors in the various companies in developing necessary internal policy to guide in selection of quality leadership that would steer the firm to profitability. In order to further the increasing understanding of strategic management in developing countries, this study gives the players of the tea industry a view of strategic leadership practices in Kenya. This review would find a valuable guide for future studies in the field for researchers and academics in the area of strategy administration.

### **1.6 Scope of the Study**

The survey concentrated on tea industry performances as a result of the changes in strategic leadership practices. The aspects of practices on strategic leadership focused on strategic direction, leadership competencies, ethical practices and organizational control. The aspects of this study was done among 9 tea companies in Nandi County. Nandi County is one of the leading tea production districts in Kenya. The population consisted of management staff within the firms who totaled to 121. The unit of observation was the 9 tea factories while the unit of analysis were the management staff in the firms totaling to 121. Questionnaires were the researchers' instruments to collect primary data. Qualitative analysis and quantitative analysis methods were utilized.

### **1.7 Limitations of the Study**

Contacted participants were unwilling to provide information to be used to intimidate them or to print the requested information with a derogatory image of them and their companies. Some respondents were reluctant to deliver questionnaires. These was solved by a letter from

the university to guarantee that the information provided will kept anonymous and used strictly for academic purpose.

In addition, it was not easy for the researcher to collect information from respondents as the necessary information which rely on areas that do not measure and/or object accurately track beliefs, values and behaviors. Since the research methods may not bear their names, the researcher allowed the respondents to communicate without holding back the knowledge they may have. This limitation will further mitigated by ensuring strict adherence to ethical consideration in research to enhance trust and confidence among the respondents.

### **1.8 Organization of the study**

The summarized five chapters are included in this study project. Chapter one covers the study context, the declaration of problems, the purpose of the study, the study objectives, research issues and study significance, study's limitations, and a summary of ho the study is organized. Chapter two presents the theoretical and empirical literature related to the study variables. In addition, literature review summary gaps and conceptual framework are also reflected in chapter two. Methodologies used in th estudy are found in Chapter three that discusses research design, target population, sampling design, selection of sample criteria, data collection methods, questionnaires, research tool validity and reliability, analysis of data and ethical concerns. Chapter four presents the study findings and discussion. The summary of findings, conclusions based on the findings and study's recommendations are found in Chapter five.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The chapter provides a literature review on strategic leadership and its impact on organizational performance. It summarizes the data from other researchers in the same field of study who have carried out their studies. The theoretical analysis, empirical review, description, research gaps, and the conceptual framework are presented in the chapter.

#### **2.2 Theoretical Review**

The analysis was supported by Balanced Scorecard Model whose parameters used to measure performance. The study further adopted Resources Based-View Theory, Strategic leadership Theory, Upper Echelons and Trait Leadership Theory.

##### **2.2.1 Resource Based-View Theory**

The theory of Resource Based View will be used to support the analysis. Commonly recognized to RBV, the theory proposed by Porter (1985) is commonly used in humanities and social sciences. RBV means that by creating services that are distinctive and diversely dispersed, companies can leapfrog over their rivals. According to Kraaijenbrink, Groen & Spender (2010) Resource-based view aimed at describing the internal causes of the sustained competitive advantage of a business.. According to Tukamuhabwa, Eyaa and Derek (2011) The company's Resource-Based View believed that internal resources were a strategic advantage for the company. These assets were important, unusual, special and

difficult to replace. Tools believed to be important were those that were able to promote the production or adoption of performance-enhancing strategies, leveraging business opportunities or neutralizing imminent threats.

Both assumptions are that RBV's resources and capacity are spread heterogeneously across companies. Resources and capacity are imperfectly mobile, which means that the disparities between companies remain constant over time. In regard to the resources and capabilities a company has, each company is different (heterogeneity) to other companies. According to Karia and Wong (2011) these discrepancies distinguish between one company and another and the success of a business is attributable to its corporate (idiosyncratic) capital.

The individual resources, skills and abilities of the company are thus a package of resources or a RBV. Basically in trades involving inventories, resource is recognised, for example, defined as one of the fundamental elements or requirements for the creation and operation of logistics. In comparison to industrial organizational economical interests, which focuses on external opportunities and risks to the business, Shang & Marlow (2015) stresses its internal strengths and limitations in particular because an organization can handle its own resources and skills better when the external environment is unpredictable.

The RBV says that a business is a tangible, immaterial resource collection (Kraaijenbrink et al., 2010). This selection is specific to each company such that no two organizations are able to perceive each other heterogeneously, in a different way, in the same industry, obtain the equal resources or services or the similar corporate culture. The ultimate determinant of



strategic decisions was the capital gap between companies (Shang & Marlow, 2015). RBV was used by Ganotakis and Love (2010) to display the importance of stock management for the company. Inventory versatility and efficiency is seen in line with Ganorakis and Love as a strategic advantage for enterprises (2010). This theory thus contributes to an interpretation of human resources creation as a source to organizations of a sustainable competitive advantage. Services are planned and implemented to promote performance improvement techniques, business opportunities or impending risks that are neutralized. Theory clarifies how leadership skills and organizational success relate with each other.

### **2.2.2 Strategic Leadership Theory**

Baetz and House (1979) developed this theory. Strategic leadership allows corporate leaders to build and re-create explanations for the continued life of the organization. The development of a strategic intention and strategic task, and effective strategic actions to develop strategies and execute strategies, which generate strategic competitiveness and over average returns, is formed, according to Kirmi and Minja (2010). Many scholars have shown considerable attention to leadership especially in strategy development as expressed in Bradley and Barrick's works (2018).

This interest was emphasized in Finkelstein, Hambrick and Cannella's thorough treatment of strategic leadership (2009). Carter & Greer (2013) wonder how strategic leaders impact the success of the company! A strategy leader ensures that resources are used responsibly, the inability to execute, deadlines met and protocols are followed. They build sense and intent for the company with a powerful vision and goal. Literature indicates that organisations are

formed with certain strategic objectives. The leader is able to influence the members of the company to successfully contribute to the achievement of predetermined goals.

Awan, Qureshi and Arif (2012) reinforced this by noting that successful leadership in NGOs /NFPs resulted in improved organizational efficiency. In all types of organisations, strategic leadership is essential. Organizational leaders in strategy implementation according to Haynes, Serpa and Hitts (2010) strategic organizational leaders had not effected environmental instability during their study of strategic leadership in the first decade of the 21st century. The lack of strategic leadership has shown weakness in most organizations. Also, Kiriimi and Minja (2010) observed that organizations do not know why they should be enthusiastic and why they should not make workers loyal to the corporate agenda when leadership fail to sell their vision for the company. The empirical analysis showed that strategic leadership leads organizations to shape strategic goals and strategic objectives. Goffee and Jones (2016) demonstrate that increased organizational efficiency contributes to strategic leadership.

Kiriimi and Minjah (2010) have referred to the value of strategic leadership for all organisations as a statement of this claim. Hughes and Beatty (2015) also recognize that strategic leadership contributes to achieving the organization's objectives. Serfontein (2010) has also claimed leaders strategic key objective is to gain knowledge on economic, environmental, and other areas of the future.

Ahmed (2013) suggests strategic leadership comprises both strategy and management roles where TMT works in strategic questions as partners. Strategic leaders must be willing, according to Gill (2011), to create a vision, mission, objectives and culture of the organization and to track progress and environmental changes in order to ensure strategies are oriented, meaningful and legitimate. This theory is significant for this analysis, since it results in effective communication of organizational performance strategic direction. According to this theory strategic leadership must provide a strategic direction that will improve the performance of a firm. Therefore this theory supports the variable on strategic direction and organisational performance.

### **2.2.3 The Upper Echelons Theory**

The theory that top executives perceive their circumstances through their highly customized lenses is specifically outlined by Hambrick, Donald, and Mason (1984). The discrepancies between the management's perspectives, beliefs, personalities and other human factors contribute to these individual constructions of strategic situations. With regard to the highest echelons, scientists have investigated the effects on organizational results of the Top Management Team (TMT) composition and procedures, and the impact on the company's strategy and efficiency by the CEO.

Moreover, the top managers consider and sometimes don't embrace the leading skeptics – they are sometimes intertwined, depending upon their power or versatility. Their results can also be greatly important, but not at all. There is a choice when choices are not limited and when several realistic alternative strategic action alternatives apply. Top managers prefer to

fulfill their original targets and vice versa more discreetly. In terms of implementing core competency within the company the upper level perspective presented a clear theoretical and empirical case for the central role of strategic leadership (Elenkov *et al.*, 2015). This theory inform the need for ethical top management that would be emulated by other employees in spearheading the organizational control of the firm.

#### **2.2.4 Trait Leadership Theory**

This theory is attributed to Carlyle (1941). The qualities of the person were recognized early in the leadership of scientific research. This theory is based on leaders' attributes or characteristics. Characteristic-based theory of leadership stresses the qualities or personality inherent to the leadership (Dugan & Komives, 2011). The leadership qualities of Zaccaro, Kemp and Bader (2004) argues that they allow for the prediction of the effectiveness of the leaders. A leader and his leadership have many unique characteristics. Knowledge and communication skill are important features for leadership performance. This theory suggests that leaders possess inherent attributes of great character that make them more capable of leadership. Such distinguishes them or their adherents from others. These leaders' qualities are extremely important if any great leader will help them perform their roles excellently.

A strong communicator, the ability to make excellent choices and empathy in multiple circumstances are main features. Several researchers have investigated even though many of these functions (Derue *et al.*, 2011). Many of these characteristics are grouped into: intelligence, diligence, a desire for danger and emotional maturity. Research indicates that management productivity forecasts are eminent projectors for leadership in the sustainability

of an efficient organizational culture. This theory is therefore essential for this study because it promotes ethical standards in organisation.

### **2.2.5 Balanced Scorecard Model**

The study was anchored on the balanced scorecard model proposed by Kaplan and Norton, (1996). The goal of the scorecard model is to help the organisation management gather enough data to help undertsnad the organisation performance and strategies to improve. The Balanced Scorecard is a strong and balanced strategic management framework that promotes strategy execution by steps to ensure the implementation and realization of the corporate vision and strategy (Kaplan & Norton, 1996). The Balanced Scorecard (BSC) is an extensive collection of success metrics that provide a basis for a strategic measurements and management method for the organization's mission and strategy. The scorecard measures organizational success across four related perspectives: financial, client, internal, learning and development business process (Armstrong, 2006).

This study similarly will analyse the Tea companies performancessusing the balanaced scorecard approach. The study will seek to study financial aspects which include organisational reveeneues and other aspects such as coustomer focus, internal busines process and organisational learning and growth aspects. The study therefore, sought to understand the contribution of strategic leadership practice to various aspects of performance as suggested by the proponents of balanced scorecard model.

## **2.3 Empirical Review**

The subsection analyzes other researchers' studies in the field of strategic leadership and organizational efficiency. The strategic direction, leadership competencies, ethical practices and organizational control relationship with performance of organizations are the areas of focus.

### **2.3.1 Strategic Direction and Performance**

A report on the relationship between strategic direction and organizational success in the banking industry was conducted by Oditia and Bello (2015). The research was a cross-sectional survey which used questionnaires for self-reporting. The research sample size was 201. The study found that strategic purpose and its dimensions (mission, vision and goals) contribute to organizational success in an essential and positive way. In addition, 34% of the variation in results was found to account for the strategic direction. In order to understand various levels of success, dimensions of strategic intent such as objective (47 percent), vision (19 percent), and goals (58 percent) were found. It is evident from the results of this study that strategic guidance is a key success component. The research was, however, carried out in the banking sector, while the current study would concentrate on tea processing companies. Therefore the contextual difference between these sector make it difficult for extrapolation of the findings.

Jonyo, Ouma, and Mosoti (2018) studied the effect of vision and mission on organizational performance within private universities in Kenya. This was a correlational analysis with a positivist perspective. All 17 private universities in Kenya that are accredited by the

Commission of University Education were included in the report. The board of directors, vice chancellors, heads of departments (finance, sports, human resource, research, quality assurance), and academic deans (business school) made up the analysis unit. In the analysis, frequency distributions, percentages, and means were used for descriptive statistics, while correlations and regression analyses were used for inferential statistics. Mission and vision, according to the report, clarified a large proportion of variation in organizational performance ( $R^2=.633$ ).  $F(1, 122) = 208.929$ ,  $p = 0.00$ , was the significance value in testing the reliability of the model for the relationship between Mission and Vision on organizational efficiency. As a result, the model was statistically important in predicting the relationship between the study variables. According to the report, organizational performance increases by 0.867 hence for every unit shift in mission and vision, meaning that mission and vision have a positive effect on organizational efficiency. The study focused on private universities in Kenya therefore creating a contentual gap. The Current study fills the gap by focusing on tea factories in Nandi County, Kenya.

Mutua (2015) carried out a study on strategic direction and Church development in Kenya using a descriptive correlation with a sample size comprising 95 bishops and 387 priests and found an significant relationship between strategic guiding practices and the growth of the church, which was evaluated with several objects. This study conducted on church growth while the current study focused on performance of tea companies in Nandi. The churches do not faces same type competition as business establishment hence the findings of Mutia (2015) cannot be extrapolated to apply in the business enterprises.

Based on a descriptive research design with 64 executives sampled, Kiarie *et al.*,(2013) examined the practices on corporate governance in reducing stock-brochuring risks. The results revealed that the majority of effective leadership failed in the strategic direction of their companies and so many businesses failed. Similarly, there exist a contextual gap since Kiarie and Minja (2013) focused on stock brokerage firms while the current study was conducted among tea companies in Nandi County.

The effect of strategic direction on flower companies in Kenya was studied by Maroa and Muturi (2015). The survey design was descriptive and included 51 of the 21 flower growing companies target population, 10 of which were chosen by simple random sampling and five participants from every 10 companies were intentionally chosen. The findings showed that most companies had their strategic management plans and strategic objectives implemented, and that their strategic management activities were reviewed and monitored. The study also found that the formulation, execution, evaluation and control of strategies had a major impact on the outcome. This study focused on strategic management practices while the current study focused on strategic leadership practices hence bridging the existing conceptual gaps.

In another study Nthini (2015) tried to assess the efficiency of Kenya's business and financial state corporations as a result of strategic leadership. The study gathered state company data from top management and introduced descriptive statistics in data analysis. The research findings have established a positive correlation between strategic performance and leadership. The study however only relied on descriptive statistics hence its methodology was



limiting. The current study include both descriptive and inferential statistics to bridge the methodological gaps.

### **2.3.2 Leadership Competencies and Performance**

Batti (2016) conducted research on the challenges that local NGOs face in terms of human resource growth. The study concluded that non-profit organizations/ non-governmental organizations should borrow and contextualize best and promising human resource planning techniques used by non-profit organizations in order to support the advancement of non-profit organizations' human resource issues. The study left a gap on examining the correlation between leadership skills and organizational performance. The study was purely descriptive. The current study was conducted a causal-effect analysis between leadership competencies and organisational performance to bridge the methodological gap.

The role of leadership competencies on the transition of public service reform initiatives was investigated by Achoch, Gakure, and Waititu (2015). Using questionnaires, the exploratory analysis was performed on 178 civil servants stationed in Nairobi. A leadership competency is significant in terms of both perceptions of leader effectiveness and follower satisfaction, according to the report. The findings also revealed that successful public sector management reforms have often relied to some extent on leadership competencies behaviors, and that leaders with disruptive characteristics inspire their followers to perform above and beyond expectations and articulate high performance expectations. Employee loyalty and corporate citizenship attitudes were positively affected by leaders who exhibited transformational qualities.

Shafie, Baghersalimi, and Barghi (2015) examined into the correlation between leadership skills and success in the Tehran province's Real Estate Registration. The research was performed on 277 employees of the Tehran Real Estate Registration using a descriptive correlation process. Employee productivity is positively impacted by both development-oriented and pragmatic-oriented self-awareness leadership competencies, according to the findings. Leadership competencies with a high level of self-awareness had a stronger link to success. Pragmatic Leadership skills were more effective in a static environment and less successful in a dynamic environment than other leadership skills. The company was thrown into turmoil due to a lack of laissez-faire leadership skills.

Koch and Namusonge (2015) investigated the effect of laissez-faire, transactional, and self-awareness leadership competencies on state-owned company success in Kenya. The descriptive study used questionnaires to look at the perspectives of middle and senior managers in thirty (30) state-owned companies. Koch and Namusonge (2015) investigated the effect of laissez-faire, transactional, and self-awareness leadership competencies on state-owned company success in Kenya. The descriptive study used questionnaires to look at the perspectives of middle and senior managers in thirty (30) state-owned companies.

Voon, Lo, Ngui, and Ayob (2015) investigated the impact of selfawareness leadership competencies on employee work satisfaction in Malaysian government agencies. Using questionnaires, the research was performed on 200 Malaysian executives employed in the public sector. Selfawareness leadership competencies have a positive relationship with job satisfaction in government organizations, while transactional self-awareness leadership

competencies have a negative relationship with job satisfaction. Only the contingent reward component of transactional Leadership competencies has a substantial relationship with two dimensions of job satisfaction, according to the regression results (working condition and work assignment).

The effect of creation of human capital on the performance of Kenyan insurance companies and commercial banks was assessed by Munjuri, Ogutu and K'Obonyo (2015). The cross-sectional model overview and the survey through censuses of 43 registered business banks and of 45 Kenyan insurance undertakings were used. The research showed that the impact of human resources on company results is statistically important. The study focused on insurance and commercial prohibitions, because there are qualitative differences in the correlation between strategy in leadership and organization performance between Kenya's tea companies. These contextual gap will be addressed in the current analysis.

Yusuph (2015), based on a research analysis and descriptive research design with 45 participants, examined the impact of capital investments on results in the Mkwawa branch of the Tanzania national microfinance bank in the Iringo region. According to the findings, there is a clear connection between human capital expenditure and revenue. Whereas the current study was conducted in Tanzania National microfinance bank, the current study will be conducted among the tea companies in Kenya hence addressing the existing contextual gaps.

### **2.3.3 Ethical Practices and Performance**

This section presents empirical studies previously conducted in relation to ethical practices and performances. For example, the correlation between ethical practices and firm's performances was examined by Khademfar *et al.*, (2013) and found that companies that violated ethical practices did not thrive and, as a result, suffered great failures. In a study by Darcy (2010), it has been concluded that every form of organization requires leaders in their organisations, who uphold ethical practices, on the development of the faith of future leaders and their ethical challenges.

Yusuf, *et al.*, (2015) analyzed ethical practices in the supply chain and concluded that ethical practices and results have an empirical relationship. Ethical activities have been shown to have a positive influence on the quality of the supply chain. As a prerequisite mediator, Bonner, Greenbaum and Mayer (2016) studied the relationship between managerial morality and employee work as well as the behavior of organizational citizenry. This provides general support to the theoretical model with a multi-source field survey.

The effect of ethnic leadership on job satisfaction between Kenya's commercial banks was explored section by section by section by section by section by description of research design from a population of 43 commercial banks. The study found that ethical practices led to improved contact between managers and employees that avoided coercion, reduced dishonesty and weakness in communication, and significantly increased the attitude of employees to the organization. However, since this study was done in the banking sector, there exists a conceptual gap which the current study addressed by concentrating in the tea processing sector,.

In the wake of numerous corporate fraud, mis-statement and mis-representation, Enofe, Ogbeide and Julius (2015) explored, using a survey template with a total surveys of 100 respondents, The effect on business development of the corporate ethical code of conduct. The study found that business growth was enhanced by the implementation of the corporate ethics code and the adhesion of workers to rules and regulations. However, the report established that business growth and corporate compliance with laws and regulations are not meaningfully associated. This research was carried out in Nigeria, while in Kenya this study focused on.

Ogwoka, Namada and Sikalieh (2017), which used the causal analysis model with the target group of 64 companies listed on the Securities Exchange in Nairobi, have studied the effect of ethics in customers' service on the financial results of listed companies, Kenya. The study concluded that the ethical relationships with the financial results are clearly related. The study has also shown high financial success in delivering efficient and timely services for clients.

The impact of ethical leadership on public sector bank personnel are analyzed by Sami, Jusoh and Quureshi (2016). Samples of leaders in ethic board in the development working in state corporations were sampled in Pakistan by 180 public sector bank staff. The study shows that the managers' vision, orders, attitude and actions are crucial to formulating their subordinates' behavior, and therefore that ethical leadership generates public importance amongst workers.

### **2.3.4 Organizational Control and Performance**

A study conducted by Rocha, Cunha, Duclós, Veiga and Neves (2015) focused on the Resource-Based Perception effect of strategic control systems on corporate efficiency. The study examined two important processes that are central to the competitiveness of the organization. The primary data is semi-structured interviews with the top managers of this subsidiary. This was a study of documentary kind. The evidence indicates that this subsidiary retains competitive advantages due to the positive effect of complex tensions emerging from organizational control and efficiency. The study site focus was in Brazil thus presenting a contextual gap. The new study will focus on Kenya Tea sector.

The Nganga survey was carried out (2013) in Kenya using a cross section survey template from a target population of 700 manufacturers with sample size 70 in Kenya on strategic control and performance of manufacturing companies. The study has demonstrated a profound strategic influence in the manufacturing industries, concluding that strategic management activities are closely linked to success. Manufacturing companies were the focus of the reviewed study. Methodological gap was evident which the current study attempts to fill by using the descriptive research design and focusing on Tea sector.

Ondoro's (2016) research centered on strategic control and social organization. The research focuses on control theory and adopts an approach to library analysis. It investigates literature on strategic control and social organization efficiency, synthesizing this and criticizing it. The results showed that strategic control has positive and significant effect on organisation performance. This study adopted literature analysis in the methodology while the current study

conducted an empirical study where data was collected and analysed to determine the relationship between variables. Descriptive research design was adopted in the current study.

A study conducted by Maduenyi, Oke, Fadeyi and Ajagbe (2015) focused on the effects of organisational structure on organisational performance. The research established whether organisation structure, coordination of activities towards organisational goals impacted on the performance. The study collected secondary data from articles and journals and found a very significant correlation between performance and organization structure. The study however did not conduct an empirical data analysis hence the methodology used was different compared to the current study.

## 2.4 Summarised Literature Review and Gaps of the Research Identified

**Table 2.1: Summarised Gaps and Current Study Focus**

<b>Author</b>	<b>Focus of Study</b>	<b>Findings</b>	<b>Research Gaps</b>	<b>Present study focus</b>
Maroaand Muturi(2015)	Strategic management practices in horticulture industry	The study found that most organizations have strategic plans and strategic plans, and are responsible for assessing objectives and monitoring their strategic management activities, with a substantial effect on results in formulation, execution, assessment and control.	In this research, there is a conceptual discrepancy in the effects of strategic leadership on success of floricultural enterprises in terms of the general effect of strategy management practices.	The current study narrows down to strategic leadership and organizational performance to address this conceptual gap.
Kiarieand Minja(2013)	Effect of corporate governance on strategic leadership in risk mitigation in stock brokerage companies in Nairobi	Most strategic leaders have not been strategic management and so several businesses have failed	There is therefore an analytical gap in the role of corporate governance and strategic management practice on corporate leadership in risk reduction.	The current dependent variable of the study is tea industry organizational efficiency, Nandi County
Musyimi(2016)	Impact of ethical leadership of Kenya business banks on employee performance	Studies have shown an enhanced relationship between the manager and the employee and thus a reduced dishonesty and contact breakdown, as well as an improved attitude for the employee towards the company.	The study focused on Kenya's business banks, employee efficiency and cross-sectional research design. Between this research and the current study there are both conceptual and methodological gaps.	To address these gaps, the current study focusses on the tea industry in Nandi County and its dependent variable is organizational performance while the descriptive research design is employed
Munjuri,'Obonyo, and Ogutu(2015)	Human capital's impact on the output of Kenya-	The study found that human capital has a statistically important	This study focuses on Kenya's insurance and commercial banks and uses cross-cutting analysis concepts	In the current studies tea processing companies were based on adding the contextual gap and the methodological



	based insurance firms and commercial banks	effect on firm results	to create contextual and methodological gaps.	gap will be addressed using descriptive design.
Yusuf, Musa, Hawkins, El-Berishy, Abubakar, Schulze(2015)	Ethical and performance supply chain	The study found that ethical practice has a positive impact on the quality of the supply chain	The study focused on ethical practices in supply chain department, the study did not focus on entire organisation also failed to include other strategic leadership practices such HR, strategic direction hence there are conceptual and empirical gaps	The current research has centered on the tea companies to add a conceptual gap and to solve the methodological gap by using descriptive concepts.
Odita and Bello (2015)	Relationship between organizational performance and strategic intent	The study found a considerable and positive relationship between strategic purpose and its dimensions (mission, vision and objectives) and organizational efficiency.	The research employed cross sectional survey using self-reporting surveys. The strategy and organizational success in the banking industry were also discussed. There is a conceptual and methodological gaps.	The current study focused on strategic direction and organisational performance of tea industry in Nandi County, Kenya, hence addressing the existing conceptual gaps. It used the semi-structured survey questionnaire addressing the methodological gap.
Mutia (2015)	Study on strategic guidance and religious development in Kenya	The survey showed a positive correlation between strategic management activities and the church's growth measured by various elements	The study centered on church growth and there is a discrepancy about the effects on organizational success of strategic direction.	The current study focused on tea companies to address the conceptual gaps.
Batti (2016)	Study focused on the growth of human capital in local NGOs	The study finds the use of good and promising methods for the promotion of human resource development by successful companies and context-based nonprofit organisations, in order to strengthen issues relevant to non-profit human resources development.	The examination on the correlation between the creation of human capital and organizational efficiency was not done. The research was solely descriptive. There is, thus, a methodological gap.	The current study conducted a causal effect analysis between human capital development and organisational performance to bridge the methodological gap.

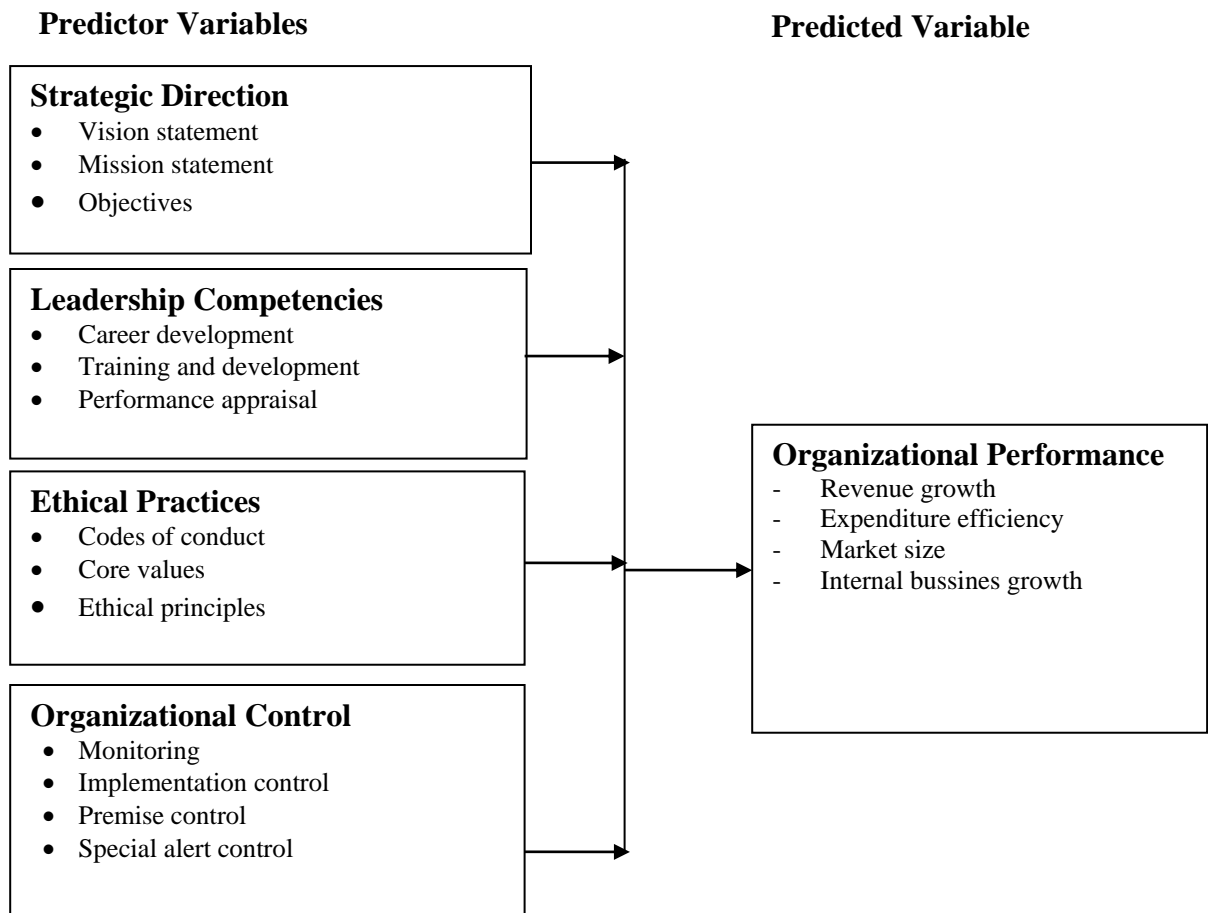
Marimuthu,Arokiasamy, andIsmail(2009)	The relation between human resources and corporate performance has been examined	The study found that human resource development is an important solution for organisations.	The study was conducted in Mid east hence there a need for study to be conducted locally to bridge the contextual gap	The current study conducted in Kenya to address the existitng contextual gaps.
Khademfar,Idris,Omar, IsmailandArabamiry(2013)	Ethical practices relationship with performance of the firm	The study showed that organisations that have violated ethical standards have not succeeded.	This study was similarly conducted in Malaysia hence there a need for study to be conducted locally t to bridge the contextual gap	The current study conducted in Kenya to address the existitng contextual gaps.
Enofe,Ogbeide,and Julius(2015)	The effects of many corporate fraud, mis- stablishment and misrepresentation of company ethical behavior codes on corporate development	The study showed that the introduction of the company's Code of Ethics and compliance with regulations promotes corporate growth	This study was similarly conducted in Nigeria hence there a need for study to be conducted locally to bridge the contextual gap	The current study was conducted in Kenya to address the existitng contextual gaps.

Source:Literature Reviewed and Author (2020)

## **2.5 Conceptual Framework**

A conceptual framework is made up of abstract blocks that describe a process or system's observational, experiential, and analytical/synthetic aspects. The interconnection between dependent and independent/predictor variables is the basis for such predicted effects. The independent/predictor variables include; strategic direction, competencies in leadership, ethical practices and organizational control. The predicted variables performance of

organization(Tea companies in Nandi County, Kenya).



**Fig 2.1:Conceptual Framework**

The conceptual framework of the study presented in figure 2.1 show that hypothesized relationship between study variables. In the conceptual framework the independent variable is strategic leadership practices which was measured using strategic direction, leadership

competencies, strategic ethical practices and organisational control as suggested by (Alayoubi, Al Shobaki and Abu-Naser (2020). The strategic direction according to Waithira, Waiganjo and Njeru (2017) is accomplished when the company pursues aggressive targets and relies on competitive strategies to achieve their goals. This is the vision of an organization's future top management (Waithira, Waiganjo & Njeru, 2017).

Competencies is also a key strategic leadership practices since competent leaders are visionary and guide organisational to future prosperity. Ethical practices is an important aspects of leadership. Employees tend to be ethical in their perceptions of business ethics as they take decisions on ethics issues (Kish-Gephart, Harrison, & Treviño, 2010). Kaptein and Van Dalen (2000) argued that ethics encompassed 3 areas; interactions with external stakeholders; internal ethical functioning of the business and employees morality and ethical behaviour. Control of organization, however, is the capacity of the leaders to establish and rebuild grounds for the continued life of the organization. Leadership in the organization play stewardship role in the organisation which involves control in term of providing strategic direction (Alayoubi, Al Shobaki & Abu-Naser, 2020).

The study dependent variable was organisational performance which was measured by, revenue growth, expenditure efficiency, market size and internal business growth. This measure included both financial measures and nonfinancial measures based on the BSC Models (Kaplan & Norton,1996).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The methodology used for the study is set out in this chapter. It describes the type and source of the data, the target population, and the methods of sampling and the techniques used in selecting a sample. It presents the method for the collection, analysis and presentation of data.

#### **3.2 Research Design**

The research design is the fundamental plan which provides a summary of the exercises required to implement the research report. A descriptive research design was applied. A descriptive research design according to Cooper and Schindler (2013) describes what, where, and how a phenomenon occurs. The conceptual framework is made up of abstract blocks that describe a process or system's observational, experiential, and analytical/synthetic aspects. The design helped describe the performances of Tea industry performance in reference to Nandi County Tea companies. The research design helped answer the research questions by relating the effect of strategic leadership practices on organizational performance.

#### **3.3 Target Population**

According to Mugenda and Mugenda (2013) whole group of persons, cases or objects with certain common observable properties forms a target population. The management staff among the 9 tea firms in Nandi County who total to 121 formed the target population for this study. Unit of observation were the 9 tea factories in Nandi County while the unit of analysis

were all management employees in top, middle and lower level management from each of the 9 firms.

**Table 3.1 Target Population**

<b>Levels of Management</b>	<b>Population</b>	<b>Percentage</b>
Top management/senior level	27	22.31
Middle Level management/Section Managers	44	36.36
Lower managers/Supervisors	50	41.33
<b>Total</b>	<b>121</b>	<b>100</b>

*Source: KTDA (Nandi Hill Region)*

### **3.4 Sampling Techniques**

Sampling techniques include a variety of approaches to help minimize the amount of data obtained by only taking data from a subgroup and not any possible cases or elements into account. A population of less than 200, a census is recommended (Mugenda & Mugenda, 2013). The study therefore used a census.

### **3.5 Data Collection Instruments**

Regarding its effects on the performance of tea enterprises in Nandi County through strategic leadership practices, questionnaires with closed options in likert scale as well as open choices were used. The questionnaire constructed to capture the study objectives as reflected in section 1.3 on specific objectives.

### **3.6 Data collection Procedures**

Prior to data collection the research obtained authorization letters from Kenyatta University and NACOSTI. Both survey respondents were administered individually by the researcher. In this study, focus and control were exercised in order make sure that all the instruments for data collection were availed to the participants. A drop and a pick approach was applied in this study. A period of 12 days was enough to fill and return the questionnaires

### **3.7 Pilot Study**

A pilot analysis was conducted prior to the actual data collection to ensure that the testing instrument was suitable for gathering accurate and relevant data. Pilot study was carried out on 10 management employees of the 9 tea firms in Nandi County. The choice of the pilot study study respondents was based on their understanding of the working dynamics of the tea companies in Nandi, however, the respondents during pilot testing were not included in the final survey. In determining the reliability and validity of the research instrument, the data gathered from the pilot study was used.



### **3.8 Validity and Reliability of Study Instrument**

For the researcher to be able to assess the reliability and validity of research instrument validity, a pilot study was performed before real data collection. This ensured that the collected data is correct and that the findings are reliable.

#### **3.8.1 Validity of Research Instruments**

Validity tests measures the extent the theoretical definition and, in particular, how the data represents the variables correctly and meaningfully represents the data collected from the instrument. If validity has been established, any conclusions drawn from such facts would be reliable and meaningful (Mugenda & Mugenda, 2013). Using different evidence sources, the validity of a study increases (Yin, 2013). Both content and construct validity were determined. The researcher ensured all the item/s used in the questionnaires have adequate literature backing and have been used before by previous studies. On the other hand, construct validity was achieved by use of factor analysis where factor loadings for all the items in the questionnaire was determined. A threshold of 0.10 was used to show adequate construct validity (Field, 2013).

#### **3.8.2 Reliability of Research Instruments**

The measurement of the coefficient of internal consistency and therefore the protection of the instrument shall be carried out in Cronbach's Alpha. The analysis used an alpha approach based on internal consistency in order to verify the reliability of the findings. The Cronbach Alpha measures the average and association of observable results. To verify the reliability of the data obtained, SPSS tools was used. The reliability of the current study and the optimal

situation in the Cronbach alpha was more than the acceptable level of 0.70 (Hair *et al.*, 1998). Alpha greater than 0.7 is considered appropriate (George & Mallery, 2013).

### **3.9 Data analysis and Data Presentation**

Quantitative data was analyzed and represented using percentages, standard deviations, means, and frequencies in SPSS (Version 22). Bar charts, graphs, and tables were used to present the data in prose format. This was achieved through the assessment of responses, calculation of the percentages of response variations and the description and interpretation of data based on study aims and expectations by using SPSS (Version 22) to convey research findings. Content analysis was used for analysing qualitative data or component of data obtained from open questions.

The regression model used will be of the form;

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

Where:

Y = Performances of the tea industry firms in Nandi County

X<sub>1</sub> – Strategic Direction

X<sub>2</sub> – Leadership Competencies

X<sub>3</sub> – Ethical Practices

X<sub>4</sub> – Organizational Control

B<sub>1</sub>, β<sub>2</sub>, and β<sub>3</sub> = regression co-efficients

$B_0$  is the Y intercept

$\varepsilon_i$  is the error term

The perceptions of the participants was captured in a scale from 1 to 5 to indicate the extent to which independent variables influence each dependent variable. All the inferential statistics were interpreted based on the significance level of 0.05, coefficient with p-value of greater than 0.05 were deemed to have insignificant effect while those with p-value of below 0.05 were interpreted to have a significant effect.

### **3.10 Ethical Considerations**

Given the sensitivity of the subject matter, a written permission from the tea firms in Nandi County and the KTDA was sought before data collection. All participants in the study received informed consent. No requirement was placed on those unable to participate in the report. The names of the respondents were not used for the purpose of this academic study and were not indicated anywhere for the reasons on confidentiality. Consultation and approval were sought from appropriate research authorities (Nacosti and Kenyatta university graduate school). The materials and references referred to were cited as required.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

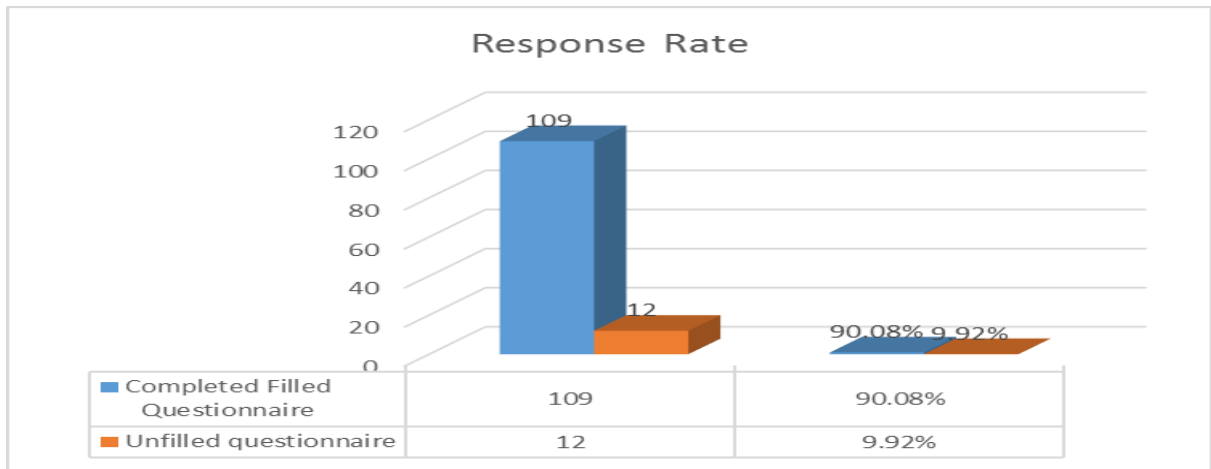
#### 4.1 Introduction

The chapter presents that findings and interpretations based on the objectives of the study.

The subsequent sections presents analysed data collected from various respondents.

#### 4.2 Response Rate

The study targeted 121 respondents who consisted of senior level managers, middle level managers and lower level managers. The researcher managed to collect 109 completely filled questionnaire. This represented 90.08% response rate, and according to mugenda and mugenda (2010) more than 80% response rate is an excellent response rate. Therefore the researcher continued with data analysis process for the response was enough to draw inferences.



**Figure 4.1 Response Rate**

## 4.2 Demographic Characteristics

This section presents respondents' demographics. The demographics of the respondents included their age, gender, and work experience.

### 4.2.1 Age of the Respondents

The table 4.1 presents the age of various respondents in tea factories in Nandi County.

**Table 4.1 Age of the Respondents**

	Frequency	Percent
Male	72	66.1
Valid Female	37	33.9
Total	109	100.0

**Source: Survey Data (2021)**

The table 4.1 indicates that 66.1 per cent of the respondents (72 respondents) were male while 33.9 per cent of the respondents (37 respondents) were female. The findings indicated that the number of tea factory workers was equally distributed by gender. There was indication that the observations and opinions articulated in this document were shared by the majority of women and men working in the tea factories.

### 4.2.2 Respondent's Age

The age of the respondents age was an important factor to determine the management age in relation to their experiences and responsibilities. Table 4.2 summarizes the findings of the report.

**Table 4.2: Respondents Age**

	Frequency	Percent
Valid 19 - 24 Years	19	17.4
25 - 34 Years	22	20.2
36 - 45 Years	28	25.7
46 Years	40	36.7
Total	109	100.0

**Source: Survey Data (2021)**

The study results according to table 4.2 indicates that 17.4% of the respondents had 19 to 24 years, 20.2% had 25-34 years, 25.7% of the respondents had 36 to 45 years of age and 36.7% had more than 46 years. It is evident that majority had more than 36 years old (36.7% plus 25.7%= 62.4%). This is a proof that majority may have worked in the tea factory for quite a long time and may have gained some knowledge on strategic leadership practices in the tea factory.

### **4.2.3 Working Experience**

The study established the working experience of the employees working in tea factories in Nandi County, Kenya. The results were summarised in table 4.3.

**Table 4.3 Working Experience**

	Frequency	Percent
Valid Less than 2 years	17	15.6
2 years to 5 Years	36	33.0
5 years to 10 Years	56	51.4
Total	109	100.0

**Source: Survey Data (2021)**

The findings indicates that majority of the respondents 51.4 per cent, 56 respondents, had worked for 5 to 10 years. Just 15.6% of the respondents (17) had served for less than two years. In the Tea factory, 33% of the respondents had worked for 2 to 5 years. The findings revealed that the respondents knew enough about the topic at hand, as the targeted workers had information that was useful in achieving the study's goals. The analysis goal was reached because the number of workers used in this study had unique skills and knowledge of the information sought.

#### **4.2.4 Level of Education**

The level of education as sought to determine the highest qualification for various positions in the Tea companies. Table 4.4 shows the study results.

**Table 4.4 Highest Level of Education**

	Frequency	Percent
Valid Postgraduate	16	14.7
Undergraduate	58	53.2
Diploma	21	19.3
Certificate	14	12.8
Total	109	100.0

**Source: Survey (2021)**

The results indicates that majority of the respondents 53.2 per cent had under graduate degree certifiat. Employees with a diploma as their highest level of education were 19.3%, employees with master degree were 14.7% while the minority 12.8 per cent had a certificate as their highest level of Education. This is a strong sign that the tea factory workers were well-educated and informed about strategic leadership and efficiency. According to Hezlett and Ones (2014), education increases core task efficiency by equipping people with more declarative and procedural information that helps them to successfully handle their tasks.

### **4.3 Pilot Study Results**

To determine the reliability and validity of the data collection tools, a pilot test was conducted as a preliminary analysis. The aim of the pilot test is to determine the data collection instruments' reliability and content validity (Cooper & Schindler, 2011). The pilot study had a total of 12 participants, accounting for 10% of the total sample size of 121. This was in line with the research project's general rule of thumb and qualitative research design methodology.

#### **4.3.1 Test on Reliability**

Cronbach's Alpha has been reviewed for the reliability of the analytical data collection tool. Cronbach's Alpha values for both constructs fell within the suggested range of 0.7 to 0.9, indicating that the data collection method was reasonably accurate for the calculation.



**Table 4.1 Results on Reliability**

<b>Constructs</b>	<b>Alpha Value</b>	<b>Comments</b>
Strategic Direction	0.771	Accepted
Leadership Competencies	0.812	Accepted
Ethical Practices	0.877	Accepted
Organizational Control	0.800	Accepted

Source: Survey Data (2021)

Table 4.1 shows that strategic direction co-efficient=0.771, leadership competency coefficient=0.812, ethical practices coefficient=0.877, and organizational control coefficient=0.800, according to the reliability test results. According to the reliability test, the scales used in this analysis are effective in capturing the constructs.

#### **4.3.2 Validity Tests**

Researchers ensure that an instrument may accurately determine the intended subject as intended by the researcher. Since the questionnaire passed the reliability examination, expert opinion was used to determine the questionnaire's content validity. In this case, experts and supervisors from Tea factories were sought for their opinions on the issues in the questionnaire related to the study variables, and their suggested changes were noted and worked on. Finally, the supervisors double-checked and agreed that the issues being measured were accurate.

#### 4.4 Descriptive Analysis

This section presents the mean and standard deviation as the parameters used to describe the level of agreement with the statements presented to the respondents. High mean indicates a high level of agreement and low mean shows low level of agreement. The standard deviation measured the response dispersion rate.

##### 4.4.1 Strategic Direction and Performance of Organizations

This subsection presents the strategic directions and its effects on performance of Tea factories in Nandi County, Kenya.

**Table 4.5 Strategic Direction**

	N	Minimum	Maximum	Mean	Std. Deviation
Guiding vision statement	109	1	5	4.73	1.274
Mission statement	109	1	5	4.78	1.250
Firm objectives (long and short term)	109	1	5	4.74	.439
Guiding principles	109	1	5	4.01	.948
<b>Average</b>	<b>109</b>	<b>1</b>	<b>5</b>	<b>4.565</b>	<b>0.978</b>

**Source: Survey Data (2021)**

The study results in table 4.5 indicates that most of the tea factories management uses guiding vision statement (mean=4.73, Std Dev=1.274), mission statements (Mean=4.78, Std Dev=1.250), Firms objectives (mean=4.74, Std dev=0.439) and tea factory's guiding principles to guide their strategic direction. The majority of respondents agreed that after creating a vision, an organization should clearly define its mission, which basically defines how the vision would be accomplished. According to Ng'ang'a (2018), mission is the framework in which organizations develop plans that are aligned to both their current and future directions. According to Agwu (2015), the aim of a mission is to clarify how to get the

company to where it wants to be in the future. Setting the path of an organization through the creation of vision, mission, core values, and objectives/goals is one of strategic leaders' main responsibilities (Ng'ang'a, 2018; Mutia, 2015). Drawing a vision for the organization's future through the implementation of a strategic plan is also part of the process. Strategic guidance is a feature that enables leaders of companies to be more orderly and strategic in their daily operations (Bryson, 2004). A leader aligns the behavior, beliefs, and values of staff, management, and stakeholders against the organizational objective through the implementation of a strategic plan, resulting in improved results (Szpakowski, 2011; Odit & Bello, 2015). Strategic leaders are responsible for overseeing the process of bringing plans into motion as well as setting strategic direction (Okibo & Masika, 2014). As a result, an enterprise without a strategic path is akin to an aircraft traveling without a navigational compass.

The strategic direction of a company is one of the key elements of strategic leadership that affect corporate success, scholars have looked into the relationship between the two variables. The majority of these studies made a correlation between organizational performance and vision, mission, core values, and objectives. Vision was found to be beneficial to success in a previous study focusing on private universities in Kenya (Jonjo, Ouma & Mosoti, 2018). These authors also believed that task and organizational performance correlations existed. Kirkpatrick (2017) found that core values have a significant impact on organizational performance.

### 4.3.2 Leadership Competencies and Organizational Performances

The results in table 4.6 presents how leadership qualities affects the performance of the tea Factories in Nandi Tea factories, Kenya.

**Table 4.6 Leadership Qualities**

Leadership Qualities	Frequency	Percent
Very low extent	6	5.5
Low Extent	6	5.5
Moderate	8	7.4
Great extent	8	7.4
To a very great extent	72	66.2
Total	109	100.0

**Source: Survey Data (2021)**

The results indicates that majority 66.2 per cent of the respondents felt that to a great extent leadership qualities affects to a great extent the performance of tea factories. According to Achoch, Gakure, and Waititu (2015), a leadership competency is crucial in terms of both leader effectiveness aspirations and follower satisfaction. The findings also revealed that effective public sector management reforms rely on leadership skills and attitudes to some degree, and that disruptive leaders encourage their followers to perform above and beyond expectations and express high performance expectations. Employee loyalty and corporate citizenship attitudes were positively affected by leaders who exhibited transformational qualities. The respondents were asked to rate how much the following leadership skills influenced the performance of tea factories. The results are shown in table 4.7.

**Table 4.7 Leadership Competencies**

	N	Minimum	Maximum	Mean	Std. Deviation
Training and development level	109	1	5	4.82	1.409
Career development	109	1	3	4.45	.536
Performance appraisal	109	1	3	4.34	.513
Rewards and compensation	109	1	5	4.65	.516
<b>Average</b>	<b>109</b>			<b>4.565</b>	<b>.744</b>

**Source: Survey Data (2021)**

The results indicates that to a great extent training and development of employees greatly affected tea factories Performance (Mean=4.82, Std Dev=1.409), Career Development to a very high extent (Mean=4.45, Std Dev=0.536), Performance appraisal to a high extent (Mean=4.34, Std Dev=0.513) and rewards and compensation to a very high extent (mean=4.65, Std Deviation=0.516). On average it was established that leadership competencies had a great influence on tea factories performance. Shafie, Baghersalimi, and Barghi (2015) found that having both a development-oriented and a pragmatic-oriented self-awareness leadership competency has a positive effect on employee success. Pragmatic Leadership skills were more effective in a static environment and less successful in a dynamic environment than other leadership skills. According to Voon, Lo, Ngui, and Ayob (2015), selfawareness leadership competencies have a positive relationship with work satisfaction in government organizations, while transactional self-awareness leadership competencies have a negative relationship.

Generally, On aspects of leadership competencies, majority of the respondents argued that Leadership competences are respected if a person shows competences that are sufficient time and frequency to become effective in the situation as to self-awareness, self-management,

social awareness and social skills. Frameworks, which show that emotional intelligence is a major component of global leadership competence, are most common in existing competences. In line with these personal characteristics, knowledge and skills are used, which underlie and determine how and when.

### 4.3.3 Ethical Practices and Organizational Performance

In recent years, the subject was highlighted by widespread moral deficiencies and financial corporate scandals. Companies are committed to adopting ethics codes, reinforcing ethical and legal guarantees and developing socially responsible policies. The share of corporate, political and social insiders is visible every decade, but there were surprising ethical deficiencies in the early 2000s. The aim of the study was to see how ethical practices affected the output of tea factories in Kenya's Nandi County. The study's findings are presented in Table 4.8.

**Table 4.8 Ethical Practices**

	N	Minimum	Maximum	Mean	Std. Deviation
Codes of conduct	109	1	5	4.75	.669
Core values	109	4	5	4.81	.396
Ethical principles	109	1	2	4.70	.462
<b>Average</b>				<b>4.75</b>	<b>.509</b>

Source: Survey Data(2021)

The findings in table 4.8 show that tea factories use ethical values as a strategic leadership strategy to a large extent.. The results further indicates that codes of conduct was used to a great extent (Mean=4.75, Std Dev=0.669), core values were generally observed to a great extent (Mean=4.81, Std Dev=0.396) and that to a great extent ethical principles were greatly followed by the tea factory administration (Mean=4.70, Std Dev=0.462). The study found the

ethical practices crisis to involve people in business, consumers and at the height of unethical practices, and in particular the unethical accounting practices in tea factories at all levels. The intimates argued that theft by employees ranges from stealing a business's product to making personally long-haul calls to work without authorization (by "stealing" both the call and the productivity of its time, while others, on the other, make controls and commit fraud of other kinds).

There is, therefore, a genuine demand to strengthen Tea factories, to protect and improve the performance of their public resources and to improve their ethic, integrity, transparency, accountability and professionalism. In various business transactions, the tea factories confront numerous challenges, for example illegal and unethical practices. Managers are also confronted with the challenge of assessing their performance as a result of these critical practices. The tea company's business managers now operate without having a strong interest in disturbing whether they are correct or wrong and if the level of compliance is extremely low, the employees understand the term ethics. The findings concurs Khademfar *et al.*, (2013) that companies that violated ethical practices did not thrive and, as a result, suffered great failures. Darcy (2010) agrees that that every form of organization requires leaders in their organisations, who uphold ethical practices, on the development of the faith of future leaders and their ethical challenges. Yusuf, *et al.*, (2015) found that ethical activities have been shown to have a positive influence on the quality of the supply chain. Musyimi (2016), found that ethical practices led to improved contact between managers and employees that avoided coercion, reduced dishonesty and weakness in communication, and significantly increased the attitude of employees to the organization.

Unethical practices/behavior are regarded as a disease in the fabric of society by many leaders, managers, and social scientists in today's organizations and beyond. Business people, government leaders, clients, and employees at all levels of the company are all involved in unethical conduct crises.

#### 4.3.4 Organisational Control and Organizational Performance

The operation of tea factories relies heavily on organizational controls. Controllers, such as project managers, client companies, and business unit leaders, exert power over controllees, such as project team members, vendors, and business unit members).The study sought to establish the effect of various orhganizational control measures on performance of tea factories in Nandi county, Kenya. The respondents were requested to comment the extent to which various controls were exercised in their factories.

**Table 4.9:Organizational Controls**

	N	Min	Max	Mean	Std Dev
Monitoring	109	1	5	4.38	.869
Implementation control	109	1	5	4.75	1.073
Premise control	109	1	5	4.59	1.588
Special alert control	109	1	5	4.18	1.435
Valid N (listwise)	109				

**Source: Survey Data (2021)**

The results show that the tea factories were very interested in tracking their operations, as shown by the high mean of 4.38 and 0.869 standard deviation. The results also indicates that implemewntation of control within the factories was given more priority to a very great extent ( mean=4.75, Std Dev=1.073). There was evident high concentration on premise control as reflected by a high mean of 4.59 and a std deviation of 1.588. The study results presents that special alert control to a very great extent was practiced y majority of the tea



factories in Nandi county, Kenya. The findings revealed that the controllers place a premium on the procedures and rules that controllees are supposed to obey when performing their assigned tasks, and they assess controllees' success based on how well they follow the procedures. Different tasks had varying degrees of uncertainty and difficulty, making it difficult for controllees to complete them on time and on budget. By exercising behavior management and encasing controllees' activities in uniform programming practices, controllers hoped to reduce inefficiencies. In the absence of organizational controls or when controls are used poorly, controllees are assumed to act in ways that endorse their own interests and expectations that are not strictly in line with the controllers' objectives.

The study findings agree with Rocha, Cunha, Duclós, Veiga and Neves (2015) that organizations retains competitive advantages due to the positive effect of complex tensions emerging from organizational control and efficiency. Nganga (2013) demonstrated a profound strategic influence in the manufacturing industries, concluding that strategic organizational controls are closely linked to improved performance. Ondoro's (2016) further supports the results that strategic organizational control has positive and significant effect on organisation performance.

#### **4.3.5 Tea Factories Performance**

The study sought to evaluate the performance of Tea factories in Nandi County, Kenya. The indicators of performance included; revenue, expenditure efficiency, market size and internal business growth.

**Table 4.10 Performance of Tea Factories**

	N	Minimum	Maximum	Mean	Std. Deviation
Revenue growth	109	1	5	4.11	.6872
Expenditure efficiency	109	1	5	4.03	.8100
Market size	109	1	5	4.26	.9179
Internal business growth	109	1	5	4.76	1.2758
<b>Average</b>				<b>4.29</b>	<b>.9227</b>

**Source: Survey Data (2021)**

The study results indicates that the revenue growth in majority of the factories was realized (Mean=4.11, Std Dev=0.6872). Increased produce, according to the respondents, had an effect on the quality and quantity of products supplied for processing. By increasing income levels, the factory's output optimization reduced losses and increased farmer satisfaction, which can be attributed to lower average production costs and higher revenues. The findings also indicated that there was expenditure efficiency (mean=4.03, std dev=0.8100) which was reflected in Restricted waste wasting and set-up time ensured, before, during and after tea production, both the right quality and quantity was improved. In the case of raw material (green tea leaf) the respondents submitted that it needs timely handling and proper tracking to ensure quality made tea. These has resulted to improved market size (Mean=4.26, Std dev=.9179). The study also established that internal business growth in the 9 tea factories targeted was ensured (mean= 4.76, Std Dev=1.2758). The respondents argued that there has been growth witnessed in the numer of machines, factories and new buildings developed within a period of 5 (five) years. The study established that cost and misappropriation of material is controlled through material management. According to the research findings, tea prices average 240 Ksh per kg in the Kenyan market. The per-kilogram cost of output is 69 Ksh. The amount of production goals is important, and the conversion rate needs to be

improved. The volume of rejected leaves is manageable on a regular basis. Kenya's power costs remain high, necessitating more reductions in power costs, either by tariff changes or the introduction of new technologies.

#### 4.5 Inferential Statistics

To assess the extent and intensity of the relationship between variables, the study used inferential statistics such as correlation and regression analysis.

##### 4.5.1 Correlation Analysis

The correlation analysis presents the nature and strength of relationship amongst the study variables.

**Table 4.11 Correlations**

		Strategic Direction	Leadership Competencies	Organizational Control	Ethical Practices	Performance
Strategic Direction	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	109				
Leadership Competencies	Pearson Correlation	.114	1			
	Sig. (2-tailed)	.239				
	N	109	109			
Organizational Control	Pearson Correlation	.571**	-.315**	1		
	Sig. (2-tailed)	.100	.101			
	N	109	109	109		
Ethical Practices	Pearson Correlation	.263**	-.120	.541**	1	
	Sig. (2-tailed)	.206	.212	.200		
	N	109	109	109	109	
Performance	Pearson Correlation	.741**	.605**	.720**	.615**	1
	Sig. (2-tailed)	.000	.001	.000	.000	
	N	109	109	109	109	109

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

The findings in this study indicates that the correlation between strategic direction and performance of tea factories was positive and significant (P=0.741, sig=0.000). the results also indicates that the correlation between leadership competencies and performance of tea factories was positive and significant (P=0.605, sig=0.001). In addition, the study established

that the relationship between organizational control and performance of tea factories was positive and significant ( $P=0.720$ ,  $\text{sig}=0.000$ ). Further The results indicated that there was positive and significant relationship between ethical practices and performance of Tea factories in Nandi County, Kenya. The results were supported by Ng'ang'a (2018) that strategic direction, control, leadership and ethical practices greatly influences organizational performance mission. Agwu (2015) supported that mission and vision, leadership, ethics and control strongly influences organizational performance.

#### 4.5.2 Regression Analysis

The study results in this section presents the model summary, analysis of variance and coefficients of regression line.

The study model summary presents the correlation coefficient and coefficient of determination. The correlation coefficient presents the strength of the relationship between variables while the coefficient of determination explains the extent with which the dependent variable is explained by changes in the independent variables.

**Table 4.12 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.969 <sup>a</sup>	.940	.937	1.11118

a. Predictors: (Constant), Strategic Direction, Organizational Control, Leadership Competencies, Ethical Practices

**Source: Survey Data (2021)**

The study results indicates that the correlation coefficient (R) was 96.9% indicating that there was a strong relationship between study variables. The coefficient of determination (adjusted

R squared=0.937) indicates that 93.7 per cent changes in the performance of Tea factories was explained by the changes in strategic direction, organizational control, leadership competencies and ethical practices. 6.3% variation in the performance of Tea Companies is affected by other factors not in the Model.

**Table 4.13: ANOVA<sup>a</sup>**

Model		Sum of Square	df	Mean Squares	F	Sig.
1	Regression	1995.919	4	498.980	404.121	.000 <sup>b</sup>
	Residual	128.412	104	1.235		
	Total	2124.330	108			

a. Dependent Variable: Performances of Tea Factories

b. Predictors: (Constant), Strategic Direction, Organizational Control, Leadership Competencies, Ethical Practices

**Source: Survey Data (2021)**

The overall model was significant at 95 percent confidence level in describing the relationship between strategic leadership activities and success (sig=0.000), according to the review of variance effects. Therefore, atleast one variable can be used to explain the changes in the performance of Tea factories.

**Table 4.14: Regression Coefficients<sup>a</sup>**

Model	Un standardized Coefficient		Standardized Coefficient	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	16.163	1.256		12.871	.000
	Strategic Direction	.796	.084	.303	9.511	.000
	Organizational Control	1.163	.067	.475	17.228	.000
	Leadership Competencies	1.230	.088	.532	14.054	.000
	Ethical Practices	1.060	.100	.305	10.564	.000

a. Dependent Variable: Performance of Tea Factories

**Source: Survey Data (2021)**

The adopted Study Model was  $Y=16.163+0.796X_1+ 1.163X_2+1.230X_3+ 1.060X_4$

The results as summarized in the model indicates that holding strategic direction, organizational control, leadership competencies and ethical practices constant the performance of tea factories would be 16.163 units. The result further indicates that there was a positive relationship between strategic direction and tea factories performance, and that changes in strategic direction results to 0.796 units changes in tea factory's performances ( $\beta_1=0.796$ , sig =0.000). There was a positive and significant relationship between strategic direction and organizational performance. The study results supports Jonyo, Ouma and According to Mosoti (2018), organizational performance and strategic direction are correlated.

According to the findings, there is a positive relationship between organizational control and tea factory performance, with 1.163 positive unit changes in organizational control resulting in positive unit changes in tea factory performance. The relationship between organizational control and tea factories performances was positive and significant ( $\beta_2=1.163$ , sig =0.000). The study findings agree with Rocha, Cunha, Duclós, According to Veiga and Neves (2015), organizational control and performance have a positive and significant relationship.. Ondoro's (2016) further supports the results that organizational control has positive and significant effect on organisation performance.

The findings indicates that the relationship between leadership competencies and organizational performance was positive and significant ( $\beta_3=1.230$ , sig =0.000). A unit change in leadership competencies results to 1.230 units changes in tea factory performance.

The findings supported Shafie, Baghersalimi and Barghi (2015) leadership competency has a positive impact on organizational performance. The concurs with Voon, Lo, Ngui and Ayob (2015) that leadership competencies have a positive relationship with job satisfaction.

The results on the relationship between ethical practices and Tea factories performance indicates a positive and a significant relationship ( $\beta_4=1.060$ , sig =0.000). A unit change in ethical practices results to 1.060 unit changes in Tea factories performances. The findings concurs with Khademfar *et al.*, (2013) that there is a positive significant relationship between ethical practices and organizational performances. Yusuf, *et al.*, (2015) found that ethical activities have been shown to have a positive influence on the quality of the supply chain.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the results based on the study objectives, the conclusions based on the findings and recommendations based on the study conclusions.

#### **5.2 Summary of the Findings**

The study's first objective aimed to evaluate the effect of strategic direction on performance of Tea factories performance. The results indicates that most of the tea factories management uses guiding vision statement, mission statements, firms objectives and tea factory's guiding principles to guide their strategic direction. The majority of respondents agreed that after creating a vision, an organization should clearly define its mission, which basically defines how the vision would be accomplished. Setting the course of an organization through the creation of vision, mission, core values, and objectives/goals is one of strategic leaders' most important responsibilities.

The study's second goal was to see how leadership skills affected the output of tea factories in Kenya's Nandi County. According to the results, successful public sector management changes have often relied to some extent on leadership attributes attitudes, and leaders with disruptive characteristics inspire their followers to perform above and beyond expectations and articulate high performance expectations. The results indicates that to a great extent training and development of employees, career development, performance appraisal and rewards and compensation greatly affected tea factories performance.



The third objective was to establish the effect of ethical practices on performance of tea factories in nandi County, Kenya. The results presented that the tea factories to a great extent uses ethical principles as a practice of strategic leadership. The results further indicates that codes of conduct, core values and that to a great extent ethical principles were greatly followed by the tea factory administration. The study found the ethical practices crisis to involve people in business, consumers and at the height of unethical practices, and in particular the unethical accounting practices in tea factories at all levels. Unethical practices/behavior was regarded as a disease in the fabric of society by many leaders, managers, and social scientists in today's organizations and beyond.

The fourth objective of the study was to determine the effect of various organizational control on performance of tea factories in Nandi county, Kenya. The results indicates that the tea factories were very keen on monitoring of the factories activities. The results also indicates that implemewntation of control within the factories was given more. There was evident high concentration on premise control and that special alert control to a very great extent was practiced y majority of the tea factories in Nandi county, Kenya. The findings revealed that the controllers place a premium on the procedures and rules that controllees are supposed to obey when performing their assigned tasks, and they assess controllees' success based on how well they follow the procedures. Different tasks had varying degrees of uncertainty and difficulty, making it difficult for controllees to complete them on time and on budget.

### **5.3 Conclusions**

The performance of Tea factories was significantly influenced by strategic direction. Because of the volatile market climate in which companies now operate, setting organizational strategic direction and measuring success has become a requirement rather than a choice. Furthermore, previous research indicates that many companies have been experiencing performance issues as a result of leaders who are unable to influence their organizations' future. To continue achieving their goals, these obstacles necessitate leaders who can set the strategic course of their organizations.

Leadership competencies had a positive and significant relationship with Tea factories performance. Strengthening leadership competencies at the corporate level could be a viable choice for Kenya, a nation afflicted by major leadership challenges such as corruption and resource misallocation. Better tea sector efficiency, owing to strong leadership, will contribute to improved economic performance, which will benefit the entire country. Furthermore, improved efficiency will result in faster, more reliable, and profitable tea service delivery to residents, which is beneficial because state companies that provide utility services are not subject to private sector competition.

There was a significant positive effect of ethical practices on performance of Tea factories. Employees' ethical behavior is critical and mandatory. According to the results of the study, these vices are likely to be present in tea industry organizations. This evidence illustrates the type of problem that remains in this industry even in the twenty-first century. The value of leadership in these companies should not be underestimated, as it gives a sense of direction to

the junior employees. Failure to discipline an errant employee signals to other workers that these vices are not punished, resulting in the breeding of these habits at work.

According to the findings, there was a significant positive relationship between organizational control and Tea factory efficiency. Better output is achieved by monitoring, implementation control, and special warning control. The results indicate that outcome and process controls are effective across a variety of organizational contexts, levels, and activities, as well as different performance outcomes. This study adds to the growing body of evidence that one type of control improves the effectiveness of the others.

#### **5.4 Recommendations**

Tea factory strategic leaders should focus on developing an organization's path through the creation of a vision, purpose, and core values. The creation of an organization's vision, purpose, strategic goals, and priorities should all be part of strategic direction. According to the report, top tea factory and training institution executives should be strategic as they lead their companies into a volatile market climate. Furthermore, effective leadership is suggested; without effective leadership, anything people do is likely to fail; but, with effective leadership, the future is continuously built anew for the people and society. One of the big and serious challenges facing the tea industry in the twenty-first century is visionary leadership, which is an element of strategic leadership.

The Public Officer Ethics Act (2003) was adopted by the Kenyan government in 2003, and it sets out the ethical rules that all government employees must obey, as well as the penalties

for violators. However, given the ethical issues that have arisen in the tea industry, it may be argued that workers seldom follow the Act or that they have not read it.

Given the variety of situations in which managers exercise organizational controls, our findings suggest that managers should concentrate equally on result, behavior, and implementation controls while exercising control in intra-organizational or inter-organizational environments. Furthermore, it makes no difference if control is exercised at the firm, company or functional unit, project team, or individual level. We also learned that administrators can't apply a "one-size-fits-all" solution to all activities. If managers prioritize result and clan control, they may expect similar output outcomes for various types of tasks.

### **5.5 Suggestions For Further Research**

There are other places where further research is required. To begin with, the research indicates that having more control is advantageous. However, due to the high resource requirements and harmful behaviors associated with increased control usage, researchers have recognized that the benefits gained from exercising different controls could be cancelled out by using more controls. As a result, the findings inspire future researchers to figure out what the optimum amount of controls in a given situation is, how to accomplish it, and when controls become excessive. Secondly, the study encourage future studies to explore whether our results will hold in private sector, schools and universities and whether strategic leadership practices will hve a significant positive results on employee performance.

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## **APPENDICIES**

### **Appendix I: Respondent's Letter**

Maureen Chikamai.

P.o Box 2224,

Nairobi,Kenya

To the Participants

#### **RE: REQUEST TO PARTICIPANT IN THE STUDY**

I am conducting research into strategic leadership practices and Tea Companies' performance in Nandi County, Kenya. I invite you to reply to the attached questionnaire a few moments

off your schedule. Carefully reply honestly. Your anonymity and the information you provide is guaranteed to be confidential.

I recognize that you will contribute to this study. Your collaboration in this research and your benefit are valuable.

Yours Faithfully,

**Maureen Chikamai**

## Appendix II: Questionnaire

The following questionnaires are intended to collect information on strategic leadership activities and tea companies' success in Nandi County, Kenya.

Answer all questions by filling or ticking in the black spaces where applicable;

### SECTION ONE: DEMOGRAPHIC INFORMATION

1) Gender of the Respondents;

- a) Male
- b) Female

2) Respondent's Age;

- a) 19 - 24 Years
- b) 25 - 34 Years
- c) 36 - 45 Years
- d) 46 Years

3) Working experience in years in tea industry?

- Less than 2 years
- 2 years to 5 Years
- 5 years to 10 Years
- More than 10 years

4) Indicate the highest level of education?

- Post Graduate [ ]
- Undergraduate Degree [ ]
- Diploma/s [ ]
- Certificate/s [ ]

**SECTION TWO: STRATEGIC LEADERSHIP PRACTICES**

**Strategic Direction**

5) How much the business uses the following strategic guidelines. Tick only a single box on each side using a set of: 1 = to some degree; 2 = to some degree; 3 = to a moderate degree; 4 = to a large extent; 5 = to very great degree;

<b>Strategic Direction statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Guiding vision statement					
Mission statement					
Firm objectives (long and short term					
Guiding principles					

6) In your opinion how do the aspects of stratetgic direction affect performance in your firm?

.....

.....

.....

.....

**SECTION THREE: LEADERSHIP COMPETENCIES**

7) How much leadership qualities in tea companies in Nandi County impact the performance?

- To a very great extent [ ]
- Great extent [ ]
- Moderate [ ]
- Low Extent [ ]
- Very low extent [ ]

8) How the organization uses as a strategic leadership strategy the following elements of leadership competencies. Tick only a single box on each side using a set of: 1=To very low extent, 2= low extent, 3=moderate, 4=high extent, 5=very high extent

<b>Leadership Competencies Statements</b>	1	2	3	4	5
Training and development level					
Career development					
Performance appraisal					
Rewards and compensation					

9) In your opinion how do the aspects of leadership competencies affect performance of the tea companies in Nandi County?

.....

.....

.....

**SECTION FOUR: ETHICAL PRACTICES**

10) With what extent do ethical practices affect performance of the tea companies in Nandi County ?

- Very high extent [ ]
- High extent [ ]
- Moderate [ ]
- Low extent [ ]



Very low extent [ ]

11) How much the company uses ethical principles as a practice of strategic leadership.

Tick only a single box

<b>Ethical Practices</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Codes of conduct					
Core values					
Ethical principles					

12) In your opinion how do the ethical practices affect performance among tea companies players in Nandi County?

.....  
.....  
.....

**SECTION FIVE: ORGANISATIONAL CONTROL**

13) With what extent does organisation control affect the performance of tea companies in Nandicounty?

- To a very great extent [ ]
- To a great extent [ ]
- Moderate extent [ ]
- Low extent [ ]
- To a very low extent [ ]

15) To what degree the business takes advantage of the following organizational control aspects. Tick only a single box on each side

<b>Organisational Control Statements</b>	1	2	3	4	5
Monitoring					
Implementation control					
Premise control					
Special alert control					

How do organizational management aspects affect Nandi County Tea Companies' performance?.....

.....  
 .....

**SECTION SIX: PERFORMANCE**

17) How inclined are the following aspects of your company's organisation's success due to strategic leadership. Tick only one box on each side, with the scale: 1 = To a very low extent; 2= To a low extent; 3= To moderate extent; 4= To a high extent; 5= To a very high extent

<b>Organizational Performance</b>	0	1	2	3	4	5
Revenue growth						
Expenditure efficiency						
Market size						
Internal business growth						

**Thank you for Participating!**