

**STRATEGIC LEADERSHIP PRACTICES AND ORGANIZATIONAL
PERFORMANCE OF THE KENYA NATIONAL HIGHWAYS AUTHORITY**

MERCY KOROS


D53/CTY/PT/32060/2015

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

NOVEMBER, 2021

DECLARATION

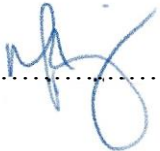
This research project is my own work and has not been previously presented for a degree.

Signed ..  Date.. 18th November, 2021

Mercy Koros

D53/CTY/PT/32060/2015

This research project has been submitted for purposes of assessment with my consent as the supervisor.

Signed ..  Date.. 19/11/2021

Dr. Mary Ragui

DEPARTMENT OF BUSINESS ADMINISTRATION

KENYATTA UNIVERSITY

DEDICATION

This work is dedicated to my entire family for their support.

AKNOWLEDGEMENT

I give thanks to God for granting me wisdom and courage throughout this entire period. I as well wish to thank Dr. Ragui my supervisor for her advice and teachings that guided this study. I am also grateful for the support, advice and encouragement from my colleagues throughout my studies. Finally, I thank my parents Mr. and Mrs. Koros, my brothers Denis and Brian, my spouse Mr. Ruttoh and my son Theo for supporting me throughout my studies at the various levels and their unconditional love to me.

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ABBREVIATIONS AND ACRONYMS

AfDB	: African Development Bank
ALC	: Axle load Control
BOD	: Board of Directors
BPR	: Business Process Re-engineering
DNC	: Design and Construction
ERM	: Enterprise Risk Management
GoK	: Government of Kenya
HR	: Human Resource
ICT	: Information and Communication Technology
JKIA	: Jomo Kenyatta International Airport
KeNHA	: Kenya National Highways Authority
KERRA	: Kenya Rural Roads Authority
KURA	: Kenya Urban Roads Authority
KRB	: Kenya Roads Board
PPP	: Public Private Partnership
RAM	: Road Asset Management
RNC –E	: Regional Network Coordination – East
RNC –W	: Regional Network Coordination - West
SACCO	: Savings and Credit Co-operative Organizations
SCM	: Supply Chain Management
SP	: Special Projects

WHO : World Health Organization

OPERATIONAL DEFINITION OF TERMS

Efficiency: The ability of a Kenya National Highways Authority as an organization to achieve its goals with minimum resources and efforts.

Employee Turnover: The rate at which employees exit or resign from Kenya National Highways Authority over a given time period.

Ethical Practices: This involves giving attention to the professional standards behavior at Kenya National Highways Authority through development of clear ethical consideration framework, communication of ethics, compliance to standards and policies and development of ethics committee and ethics helpline.

Human Assets management: Designing and maximizing of intangible qualities possessed by Kenya National Highways Authority staff through training and development, recruitment and placement, employee motivation and rewarding and workforce planning and restructuring.

Organizational Performance: This refers to effective resource utilization in an organization towards the achievement of set objectives and ensuring project completion, employee turnover, performance contract target achievement and efficiency.

Strategic Controls: This refers to the use of long-term and strategically relevant criteria for the evaluation of actions and performance in Kenya National Highways Authority through work plan development, reviewing of the annual

operational plan, monitoring and implementation control, risk assessment and crisis management and reporting of deviations.

Strategic Direction: Actions such as vision and mission creation, development of objectives, decision making and strategic planning taken at Kenya National Highways Authority to achieve strategic goals through developing and synchronizing short, medium- and long-term goals and objectives.

Strategic leadership practices: These are actions like determination of strategic direction, emphasis on ethical practices, provision of strategic controls and human assets management, taken by the leaders to ensure the implementation of strategies within the set timeline and within budget.

Strategic Leadership: The ability of a leader to clearly communicate a Kenya National Highways Authority's vision and direct the employees towards achieving it and ensuring its sustainability.

Strategic Planning This is the process that Kenya National Highways Authority uses to determine its direction or goals to be achieved while deciding on the resource allocation for accomplishing these goals.

Work plan: A strategy that lists the goals, objectives and the tasks of Kenya National Highways Authority as an organization and the process towards their accomplishment.

Workforce Planning: The process of forecasting, planning and analyzing the workforce demand or gaps to ensure that Kenya National Highways Authority in

the future and currently has access to the needed human assets for effectiveness.

ABSTRACT

Strategic leadership practices are important in the development and implementation of as well as in decisions in an often-ambiguous environment. Despite the adoption of strategic leadership practices, Kenya National Highways Authority is experiencing challenges in its performance as toad construction projects in Kenya National Highways Authority exceed their intended budget, experience time overrun and others fail to achieve their objectives. Therefore, the study sought to investigate the effect of strategic leadership practices on the performance of Kenya National Highways Authority. The specific study objectives of the study were to evaluate the effect of strategic direction on organizational performance at Kenya National Highways Authority; assess the effect of human assets management on organizational performance at Kenya National Highways Authority; evaluate the effect of ethical practices on the organizational performance at Kenya National Highways Authority; and assess the effect of a strategic control on the organizational performance at Kenya National Highways Authority. The study was anchored on strategic leadership theory, trait leadership theory, upper echelon theory and the balanced scorecard. The research deployed descriptive survey design. Moreover, the researcher targeted 11 offices of Kenya National Highways Authority. Structured questionnaires were used in the collection of primary data. Descriptive and inferential statistics were used in the analysis of data with the help of statistical software known as Statistical Package for Social Sciences version 22. Descriptive statistics included standard deviation, mean and percentage) and multiple regression analysis was used to assess the effect of strategic leadership practices on the performance of Kenya National Highways Authority. The analyzed data obtained from this study was presented in tables and figures. The results found that strategic direction has positive significant influence on organizational performance at Kenya National Highways Authority. In addition, human assets have positive significant influence on organizational performance at Kenya National Highways Authority. Furthermore, the results established that ethical practices have positive significant influence on organizational performance at Kenya National Highways Authority. Moreover, results discovered that strategic control has positive significant influence on organizational performance at Kenya National Highways Authority. The study recommends that the management of Kenya National Highways Authority should frequently review and revise the set objectives in order to effectively handle any arising need and also ensure that the goals can be achieved within the specified time-frame. Moreover, the study recommends that the management should engage all the employees during strategy formulation since it inspires employees' commitment and gives them a sense of ownership in achieving the set goals. In addition, the study recommends that management at Kenya National Highways Authority should reward and recognize employee who portray outstanding performance in order to create stronger relationships and reduce employees' turnover.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Leaders have the capability to influence organizational employees to participate in the fulfillment of set targets (Obiwuru, Okwu, Akpa and Nwankere, 2011). Strategic leaders scan the internal and external environment to obtain information on the environmental developments. Modern day leaders are pressured into delivering quick results and with less resources and equipment therefore strategic leaders should be capable of widening their vision past their work and duties approach (Wakhisi, 2021).

Strategic leadership practices as noted by Abdikarim (2018), results in achievement of the organization goals as well as objectives. Main aim of strategic decision-maker is to obtain a good awareness of current company conditions, operating environment as well as to single out the challenges that the organization may encounter in the future (Serfontein, 2010). Gill (2011) emphasizes that strategic leaders should create the organization's direction, culture as well as monitoring changes in the environment and deviations from the norm so as to ensure strategies remain to be valid.

Richard, Devinney, Yip and Johnson (2009) suggest that an organization refers to a mixture of physical, human and capital resources to attain a common organization goal. Onikoyi and Awolusi, (2014) explain that performance is a process of carrying out operations of a firm efficiently and effectively. Ahmad, Kadzrina and Yen (2016) indicate that currently organization do encounter a lot of threats and opportunities from competitions and thus for them to achieve success there in need to focus on long term planning for their survival.

1.1.1 Strategic Leadership Practices

This is the capability to cause the employees in an organization to come up with decisions that improve long-term performance of an organization (Rowe, 2001). Strategic leadership practices, according to Al Hawary and Hadad (2016), involve the ability of a visionary leader to develop and implement strategies and make decisions in an often-ambiguous environment. The success of any organization is upon the leaders in the organization (Finkelstein and Hambrick, 2008). Leaders use strategic leadership practices to influence organizational culture, resource distribution and allocation within an environment that is constantly changing and full of threats and opportunities in order to positively affect the achievement of a desired and defined vision.

Various studies have highlighted different components of strategic leadership as well as strategic leadership practices. Nthini (2013) observed that strategic leadership practices encompass strategic direction determination, emphasis on ethical practices, ensuring balanced organizational controls and human capital management. In addition, Kitonga (2017) looked at strategic leadership practices in terms of strategic direction, development of human capital, emphasizing ethical practice and maintaining balanced strategic control. In addition, Wakhisi (2021) observed that strategic leadership practices include strategic direction, ethical practices, strategic thinking, management of change, strategic direction and competencies development. The focus of this study was on four strategic leadership practices, which include strategic direction, human assets management, strategic controls and ethical practices.

Strategic direction refers to the central forces that propel an organisation towards its intended objectives and goals. According to Munyao, Chiroma and Ongeti (2020), the vision and purpose of a firm streamline the employee behaviour, in the entire organisation. The

establishment of the vision enables all individuals to understand it and live with it. It also provides energy and drive among employees and leaders and makes them be of their organisational vision and purpose. The measures of strategic direction include vision and mission creation, development of objectives, decision making and strategic planning.

The second strategic leadership in this study was human assets management. Strategic leaders are corporate managers who make decisions in helping the respective organizations in the developing, maintaining, strengthening, leveraging, and exploiting core competencies (Ojokuku & Sajuyigbe, 2015). The exploitation of core competencies in a firm involves the sharing of resources in all units. Core competencies, in any organisation, cannot be adequately developed or even exploited devoid of the appropriate human capital (Mwaniki & Gathenya, 2015). The measures of human assets management included training and development, recruitment and placement, employee motivation and rewarding and workforce planning and restructuring.

The third strategic leadership practice was ethical practices. Ethical practices come from the kind of leadership available in an organization. Hence for an ethical culture to be inculcated in the organization, the leadership must be in the forefront. In this study, ethical practices are discussed in the context of ethical leadership (Mwaniki & Gathenya, 2015). Ethical practices concern strategic leaders' ability to be humble, to have concern for the common good, strive for fairness, taking responsibility and showing respect for each individual (Hussaini, 2018). Ethical practices encompass clear ethical consideration framework, communication of ethics, compliance to standards and policies and development of ethics committee and ethics helpline.

The fourth strategic leadership practice in the study was strategic controls. Maintaining balanced strategic control is another strategic leadership practice variable which is important for public organizations. Strategic control entails the use of long-term and strategically relevant criteria for the evaluation of business level managers' actions and performance (Jamal & Saif, 2011). Strategic control is a tool of strategy implementation, a tool for assessing the external and internal environment and also a tool for providing feedback or feed forward to the strategy management process (Banu & Chandran, 2019). The measures of strategic control in this study include work plan development, reviewing of the annual operational plan, monitoring and implementation control, risk assessment and crisis management and reporting of deviations.

1.1.2 Organizational Performance

The term "performance" relates to the fulfillment of an action or execution and completion of an action. It is the record of results achieved over a period of time on a given action (Wang et al, 2011). Output and inputs are measures of performance. Organizational performance involves real results compared to the intended or anticipated results. Performance measures or indicators in an organization are the presence of adequate production outputs, efficiency in process undertakings or production, good employee attitudes, responsiveness to situations, adaptability and flexibility of employees and effectiveness in service delivery (Ahmed, 2018).

Organizational performance is explained as an organization's capability in achieving its objectives by efficiently and effectively utilizing their resources (Daft & Marcic, 2013). Organizational performance is achieved through strategic leadership practices. Efficiency is the successful completion of a task using the least amount of resources and reduced wastefulness on costs such as shipping, acquisition of raw materials, sub-contracting, paying

wages and salaries and marketing (Yukl and Lepsinger, 2004). Efficiency in the organization is realized through ensuring responsible use of resources, proper following of the regulations and activity procedures, error and defects elimination and monitoring of production costs (Aldhaferi, Ameen & Isaac, 2020).

Studies conducted in road construction authorities in Kenya have measure performance in different ways. For instance, Muriithi and Kiiru (2021) measured performance of Kenya Urban Roads Authority in terms of completion of projects within schedule, cost of project implementation, customer satisfaction and achievement of the set objectives. In addition, Wanjira and Ngari (2018) measured the performance of Kenya National Highways Authority in terms of project completion rate, project completion timelines, efficiency and achievement of objectives. This study looked at the measures of organizational performance specific to the Kenya National Highways Authority, which includes project completion, employee turnover, performance contract targets achievement and efficiency.

1.1.3 Kenya National Highways Authority

KeNHA was enacted by Kenya Roads Act 2007 to develop, manage and rehabilitate highways in the country classified as Class A, Class B and Class C depending on the nature of the centres that they connect. The centres may be internationally connected, nationally connected or provincially connected respectively. The Authority therefore is responsible for pushing the Kenya to achieve the vision 2030 on infrastructure. KeNHA was inaugurated in September 2008 and is governed by the BOD while Director General is the Board Secretary.

KeNHA's core business is the development and management of highways in the country. Its offices are spread all over Kenya in order to bring leadership, management and service

delivery closer to where the projects are. The main office which is the headquarters is located at JKIA, North Airport Road in Nairobi County. The regional offices are North Eastern region offices in Wajir, Upper Eastern region offices in Isiolo, Lower Eastern region offices in Machakos, Nairobi region offices in Industrial area, Southrift region offices in Nakuru, Northrift region offices in Eldoret, Western region offices in Kakamega, Nyanza region offices in Kisumu, Coast region offices in Mombasa and Central region offices in Nyeri.

There are 6 directorates in KeNHA with a total of 544 employees, these are Directorate of Development (SP, PPP and DNC), Directorate of Road Asset and Corridor Management (RNC-W, RNC-E, Corridor A, Corridor B, Corridor C, RAM and ALC), Directorate of Corporate Service (Finance, Legal, ICT, HR and SCM), Directorate of Policy Strategy and Compliance (Economic & planning, Research & innovation, ERM & BPR, Corporate Communications and Quality Assurance), Directorate of Highway Planning and Design (Highway Safety, Environment, Survey, Design, Structures) and the Directorate of Audit services.

At ninety - three percent, the road transport is the main mode of transportation in Kenya responsible for the freight of people and goods to and fro. The current network is 177,000 km whereby close to sixty-three thousand kilometers are classified, fourteen thousand kilometers are unclassified urban roads and the remainder of close to hundred thousand kilometers are unclassified rural road, (KeNHA, 2020). Kenya National Highways Authority receives funding for its projects from the GoK, the ADB and World Bank. The projects being undertaken are capital intensive and time consuming. Kenya National Highways Authority does not directly carry out its core business but instead it engages the services of independent contractors both local and international through a competitive bidding process. High quality

service, improved corporate governance through transparency, integrity, efficiency and effectiveness are the guiding factors that KeNHA aims to uphold (KeNHA, 2020).

The Kenya National Highways Authority has a strategic plan covering the period between the financial year 2018/2019 and the financial year 2022/2023. The strategic plan gives strategic direction to the organization by highlighting the organizations mission, vision, objectives and core values. The strategic plan was highlights that one of the main challenges to the implementation of road projects is lack of transparency, poor work plan development and in-adherence to compliance policies and standards (Kenya National Highways Authority, 2018). In terms of strategic control, the strategic plan highlights risk management practices as well as risk monitoring and mitigation practices. To improve the core competencies of the staff, the strategic plan highlights various training programmes for the staff.

1.2 Problem Statement

Road projects are important in economic development of a nation and hence Road Sector investment plan (2010-2024) suggests the GOK has allocated significant resources toward improvement of transport infrastructure. The Kenya Roads Board website indicates that in the financial years 2018/2019 and 2019/2020 the government of Kenya allocated Ksh 19.9 billion and Kshs. 20.8 billion respectively for construction of road projects (KRB, 2020). When road projects are successfully managed and run, they become sustainable in the long term. However, road projects implemented by KeNHA usually face a lot of unforeseen challenges resulting in the risks such as increase in cost, extension of time, poor quality work and scope changes (Abhinaya & Nidhu, 2017). To improve on performance, road authorities in Kenya, including KeNHA have adopted strategic plans that highlight various strategic leadership

practices like strategic controls, human assets management, strategic direction and ethical practices that should be utilized in the organization. However, despite the use of these strategic leadership practices the performance of KeNHA stills remains low.

Road construction projects in KeNHA exceed their intended budget, experience time overrun and others fail to achieve their objectives (Banmore, 2019). Kisavi (2019) indicates that 30% of all road projects in Kenya stagnate, 50% exceed their estimated cost and estimated completion time, and only 20% are completed within timeline and budget. For instance, the cost of Thika Super Highway project increased by 23.25% from 26.44 billion to 34.45 billion. In addition, the initial deadline of the project was July 2011 and was revised to July 2013 (Muriithi & Kiiru, 2021). Also, the Lot1-RD 0530 sewerage system in Thika superhighway project was shifted after the road construction. In addition, KeNHA is also experiencing challenges such as unqualified contractors bringing about poor quality of work executed and projects lagging, high employee turnover, performance targets not being met adequately and inefficiency of processes (Wanjira & Ngari, 2018). It was therefore important to determine how strategic leadership practices affect the performance of KeNHA.

Locally, Mutia (2015) evaluated the influence of strategic leadership on Kenya's church growth and Musyimi (2016) looked at the effect that ethical leadership has on staff performance in the Kenyan commercial banks. Globally, Ojokuku and Sajuyigbe (2015) assessed the effect that human asset development has on Nigerian SMEs' performance while in Nigeria, Hussaini and Muhammed (2018) studied the effect that internal control has on commercial banks' performance. From these studies it is observed that each of the researcher examined different variables in isolation and failed to investigate combined effect of this study's variables on organizational performance of KeNHA. In addition, these studies were

conducted in the private sector and not for profit organizations, which operate under different organizational structures and regulatory frameworks from public institutions like KeNHA. Therefore, the current study sought to determine the effect of strategic leadership practices on organizational performance of the Kenya National Highways Authority.

1.3 Objectives of the Study

1.3.1 General Objective

This study's general objective was to assess the effect of strategic leadership practices on the organizational performance at the Kenya National Highways Authority.

1.3.2 Specific Objectives

This study's specific objectives were:

- i. To evaluate the effect of strategic direction on organizational performance at Kenya National Highways Authority.
- ii. To assess the effect of human assets management on organizational performance at Kenya National Highways Authority.
- iii. To evaluate the effect of ethical practices on the organizational performance at Kenya National Highways Authority.
- iv. To assess the effect of a strategic control on the organizational performance at Kenya National Highways Authority.

1.4 Research Questions

This researcher aimed to answer the below questions:

- i. What is the effect of strategic direction on the organizational performance at Kenya National Highways Authority?

- ii. How does human assets management affect the organizational performance at Kenya National Highways Authority?
- iii. What effect do ethical practices have on the organizational performance at Kenya National Highways Authority?
- iv. To what extent does a strategic control affect organizational performance at Kenya National Highways Authority?

1.5 Significance of the Study

This study may be beneficial to Board of Directors and top management at KeNHA by providing an understanding on how strategic leadership correlates with the performance of the organization and its importance. It may also guide them in identifying areas of improvement and fully adopt strategic leadership as an everyday tool of performance in improving the road project management processes to enable them to effectively build and maintain safe, quality and adequate roads within the provided budget and to the satisfaction of their customers.

The recommendations from this research may be crucial to policy makers and the government of Kenya in supporting policy consideration in the road sector and to guide during budget allocation for road projects. The general public being the customers and road users may also be beneficiaries of this study because of the information which this study provides them. The findings from this study may contribute to other studies by providing a basis to other researchers with a similar topic on performance of other government-owned parastatals in road sector. To other researchers and academicians, the study provides information that they can use as research material and in identification of research gaps.

1.6 Scope of the Study

The study focused on four strategic leadership practices, which include strategic direction, ethical practices, human assets management and strategic controls. The study was anchored on strategic leadership theory, trait leadership theory, upper echelon theory and the balanced scorecard. The study was conducted in Kenya National Highways Authority in the headquarters and in 10 regions in Kenya; Nairobi, Central, South rift, North rift, Western, Nyanza, Lower Eastern, Upper Eastern, North Eastern and Coast regions. The unit of observation in this study was managers and assistant managers working at the road asset and corridor management directorate highway planning and design directorate, development directorate, corporate affairs directorate, audit services department as well as policy, strategy and compliance directorate. This study employed structured questionnaires in collecting the required data and used descriptive statistics (standard deviation, mean and percentage) in analyzing the data which was collected. The analyzed data obtained from this study was presented in tables. The study covered the period between June 2021 and August 2021.

1.7 Limitation of the Study

Information sought was mostly confidential and sensitive and thus most of the respondents were not willing to respond adequately and avoided answering certain questions. However, the participants got an assurance that their identities would not be disclosed and the responses that they were going to provide were going to be used strictly for academic reasons. Time also became a challenge in this study since the respondents were top executives who were busy in and out of meetings and thus did not have enough time to adequately provide the information that this study sought. This was mitigated when the questionnaires were timely sent to the

respondents via emails and Google form links thus allowed them adequate time to properly fill and return their questionnaires.

1.8 Organization of the Study

This research project comprises of five different chapters. First Chapter focused on study background, problem statement, study's general as well as specific objective, research questions, justification, scope as well as limitations of on-going study. Moreover, chapter two focused on review of related literature. Specifically, the chapter focused on empirical review, theoretical review as well as research gaps. Moreover, the conceptual framework was presented in this chapter. Chapter three comprise of research design, study population, sampling design, data collection tools, procedures of data collection and finally data analysis as well as presentation. Chapter four presents the results, interpretations as well as discussion of findings as per objectives of the study. The chapter showed the analysis of the response rate, general data, descriptive and inferential statistics. Additionally, the chapter also interprets and discusses findings. The fifth chapter provides a summary of previous chapters together with conclusions made. It comprises recommendations from the results obtained from the research and future research recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter presents a review of literature on strategic leadership practices and organizational performance. In addition, the chapter covers theoretical literature review that outlines the theories of the study followed empirical literature review, summary of research gaps and conceptual framework.

2.2 Theoretical Literature Review

Theories are described by Kombo and Tromp (2006) as examples of what is integrated into the study. This study was anchored upon four theories; strategic leadership theory, trait leadership theory, upper echelon theory and Kaplan & Norton's balanced scorecard model.

2.2.1 Strategic Leadership Theory

Strategic leadership theory is credited to House and Baetz in the year 1979. Strategic leadership, according to the theory, allows strategic leaders to establish and re-create explanations for their organizations' continued existence (Munyao, Chiroma & Ongeti, 2020). In addition, the theory indicates that strategic leaders shape formation of mission and purpose and influence successful strategic actions for the creation and execution of strategies which generate competitiveness in their organizations. Also, the theory indicates that leaders have the ability to influence their followers to effectively aid towards attainment of pre-established goals as well as objectives (Muthaa & Muathe (2018).

In current study, strategic leadership theory was used to show how strategic leadership practices affect organizational performance. As indicated by Kungu, Kahuthia and Kinyua (2020) leaders at strategic level must develop knowledge and awareness, the ability to think creatively and should be capable of creating and connecting ideas. Therefore, leaders in organizations play a major role in providing strategic direction. In an organization, strategic leadership involves the ability of a leader to provide direction and opportunities for competencies development so as to ensure growth and an improvement in performance. Strategic control is concerned with tracking the strategy as it is being implemented, detecting problems or changes in the premises and making necessary adjustments.

2.2.2 Trait Leadership Theory

The above theory was authored in 1937 by Allport. It states that certain cardinal traits controls and shaped the behavior of a leader. This theory assumes that leaders have inborn characteristics that makes them better leaders and causes them to stand out from their employees or followers. Traits are behaviors that results from the things that go through a leader's mind. In order for a leader to successfully discharge his duties then he has to possess certain qualities such as good communication skills, intelligence, integrity, decision making and assertiveness (Bilginoğlu & Yozgat, 2018).

Main focus of this theory is on identifying and examining various characteristic or qualities possessed by the strategic leaders and making sure that they are fully exploited by placing them in an environment that their leadership is needed to ensure success. These characteristics also help the leaders in formulating vision for the employees and communicating an execution strategy. Leader effectiveness is the length at which leaders inspire and encourage how their employees work and their overall performance (Derue et al, 2011).

This theory is criticized as it places the success of the leader on innate characteristics that the leader was born with and overlooks the importance acquiring new qualities. Results may be differently influenced by circumstances when subjected to different environments or scenarios therefore innate qualities may not be important. The most crucial and effective qualities for a good leader have not been clearly stated by this theory (Takano et al., 2007).

This study will utilize the trait leadership theory to show effect of strategic leadership practices on organizational performance. The traits of leaders are important in ensuring that they uphold ethical practices and provide strategic direction and strategic controls to their followers. In addition, motivating human assets can only be undertaken successfully in the organization if the innate traits and behavior of the leaders are well identified and matched with the needs of the organization. Activities such as recruitment, placement and training are easily conducted once the leaders' characteristics have been examined.

2.2.3 The Upper Echelon Theory

This theory was postulated in 1984 by Hambrick as well as Mason. This theory asserts that organizations are mirrors of the deals and intellect of the top management. The top managements' ideals influence how they scan the environment and their choice of strategy for the organization that they lead. According to Hambrick (2007), an organization's output is related directly to the extent of existing managerial discretion in that employees become easily influenced when they are led with managers with a higher discretion.

Proponents of this theory argue that the different characteristics possessed by the top management like age, educational background, experience, sex and social status can influence the type of decisions that they make and the actions taken by the organization on those

decisions (Chepkurgat, Kipkebut & Auka, 2019). The upper echelon theory is criticized because industry ethical requirements are not considered, firm practices and operation often times are guided by the ethical considerations in place even though the leader's qualities may contrast them (Van der Zee & Swagerman, 2009).

The study used the upper echelon theory to show the effect of strategic leadership practices on organizational performance. The demographic features of strategic leader are of importance because they affect the managers' behavior, which is important in the provision of strategic direction, strategic controls and in ensuring ethical practices. Motivating human assets enhance performance of an organization by lowering employee turnover through proper recruitment and placement by considering the characteristics possessed by the individual before placing them on any leadership position.

2.2.4 Kaplan & Norton's Balanced Scorecard model

The above model was proposed in early 1990's in effort to assist firms' measure performance of business using financial as well as non-financial data. Balanced Scorecard was aimed at aligning business daily activities to the strategy and vision of the business, boost internal as well as external communications, and also monitor performance of business against strategic objectives. Balanced scorecard gives a relevant range of both financial as well as non-financial information which supports appropriate business management (Kitonga, Bichanga & Muema, 2016).

Balanced scorecard model is utilized to underpin right behaviors within the organization through separating four distinct areas which require to be examined. Moreover, these areas (legs), entails learning as well as development, finance, business procedures and clients. This

model is employed to accomplish goals, objectives, initiatives as well as measurements that result from the key business roles (Musyimi, 2016).

Information is gathered and analyzed from four business aspects. First, learning as well as growth is analyzed via investigation of knowledge and training resources. First leg handles appropriateness of capturing information and how employees effectively utilize information in order to transform it over the industry to a competitive advantage (Yatich & Musebe, 2017). Second, business processes are assessed by examining how well services are delivered. Operational management is however analyzed so as to trace delays, bottlenecks, waste or shortages. Third, in order to measure customer satisfaction with price, quality and availability of services or products, customer perspectives are gathered. Customers give feedback concerning whether the current products are meeting their needs (Yatich & Musebe (2017).

This study measured organizational performance in terms of learning as well as growth, and internal business process. Internal business process involves in KeNHA involve waiting time implementation of road projects, turnaround time, efficiency, value for money, and ability to deliver the promised service in a consistent and accurate manner. Learning and growth was looked at in terms of performance contract targets achievement.

2.3 Empirical Literature Review

The study detailed the literature that had been done by various scholars concerning a similar area of study. It considered the specific objectives of this study and detailed what other scholars had to say that was relevant to the research.

2.3.1 Strategic Direction and Organizational Performance

Using a descriptive survey design, Munyao, Chiroma and Ongeti (2020) assessed the effects of strategic direction on the performance of Africa Inland Church Theological Training Institutions in Kenya. Data was collected from Management members, employees, and third year students of A.I.C theological training institutions in Kenya using both closed and open ended questionnaires. The three A.I.C theological training institutions were selected using purposeful sampling method while the Management members, employees and students were selected using stratified random sampling method. Out of a target population of 1221, 120 respondents were selected based on the 10 percent rule. The study established that strategic direction had a positive effect on the performance of A.I.C theological training institutions in Kenya. However, the study was conducted in A.I.C theological training institutions, which are non-governmental organizations and hence their findings cannot be generalized to other organizations due to differences in legal framework and the vision of the organizations.

Ng'ang'a (2018) carried out a study sought to determine the effect of strategic direction on the performance of tourism government-owned organizations. The study adopted a cross sectional survey design using both quantitative and qualitative data. The data was collected from both management and non-management staff. The sample size of the study was 420 and the data was collected using questionnaires. The study found that strategic direction significantly influences the organizational performance of tourism agencies. The top managers and middle level managers over saw most functions relating to offering strategic direction to the organizations. The low level cadres of staffs were less involved in the process of strategy formulation and were mostly involved in the implementation exercise. The study was conducted in tourism government-owned organizations, which used different strategies from

those of KeNHA. In addition, this study measured performance in terms of percentage growth, employee turnover and client satisfaction.

Using cross sectional descriptive survey research design, Muthaa and Muathe (2018) investigated the effects of the strategic direction on performance in respect to enrolment, resources, quality and efficiency. Questionnaires were used for data collection. The study established that the strategic direction had significant influence on the performance of technical training institutions. The introduction of the government policy has a moderating variable improved the model on organizational direction. However, the study was limited to Technical Training Institutions in Meru County, which offer services unlike KeNHA that deals with construction and maintenance of roads.

Using descriptive research design, Kungu, Kahuthia and Kinyua (2020) investigated the effects of strategic direction and performance of motor vehicle assembly firms in Nairobi City County, Kenya. The study targeted 46 members of senior management, 112 members of middle level management and 156 members of lower level management hence a total of 314 respondents. Stratified random sampling technique was adopted and 157 respondents were identified for the study. Primary data was used as collected through the questionnaire. The findings of the study indicated strategic direction had positive and significant effect on the firm performance of motor vehicle assembly firms. Nonetheless, the study was limited to motor vehicle assembly firms in Nairobi City County, which are private institutions and hence the findings cannot be generalized to KeNHA, which is a public institution.

Kitonga, Bichanga and Muema (2016) examined the link between strategic leaders' practice of determining strategic direction and organizational performance. An embedded mixed method research assessing the impact of strategic leadership variable – determining strategic

direction and organizational performance was completed by managers representing 328 not-for-profit organizations in Nairobi County in Kenya. The study established a significant positive relationship between determining strategic direction and organizational performance. The findings demonstrate that if not-for-profit leaders clearly determine the organizations' strategic direction, they are likely to improve their organizational performance significantly. However, this study was conducted in not-for-profit organizations in Nairobi County, which are different from KeNHA a public institution dealing with road construction.

2.3.2 Ethical practices and Organizational Performance

Samak, (2017) investigated the impact of business ethics on employee's performance: An empirical study of Jordanian Public Universities. A survey questionnaire was used to conduct this study. A sample of 343 employees in the Jordanian public universities participated in the study. The findings revealed that there exists a significant positive relationship between business ethics (respect laws and regulations, justice and impartiality, respect time and perfection, honesty and straightness, and integrity and transparency) with employee's performance. Besides being limited to Jordan, the study was limited to Public Universities, which are different from KeNHA that deals with roads maintenance and construction.

Ezeanyim and Ezeanolue (2021) carried out a study on business ethics and organizational performance in South Eastern of Nigeria. The population of the study 4871 comprised of all employees of the selected manufacturing firms South-East. Sample size of nine hundred and twenty seven (936) respondents was selected for the study using Borg and Gall formula. Questionnaire was employed as the main instrument of data collection. The study found that unethical standard practices had no significant positive effect organizational performance. Moreover, ethical behavior had a significant positive effect on organization' performance in

southeast Nigeria. However, the study was conducted in Nigeria and hence its findings cannot be generalized to organizations in Kenya due to differences in macroeconomic environment, legal environment and political environment.

Ebitu and Beredugo (2015) assessed the relationship between ethical behavior and the performance of service firms in Calabar, Cross River State, Nigeria. This study investigated relevance of code of ethics on guiding the performance of service industry and examined also their compliance level on the established code of ethics. The study adopted descriptive research design while data were collated from 176 respondents cutting across selected Banks and GSM firms in Calabar, Cross River State. Results showed that effective performance of service industry was dependent on code of ethics and that the compliance level of established code of ethics for service industry was high. However, besides being conducted in Nigeria, a country with different macroeconomic environment and legal environment from Kenya, the study was conducted in commercial banks which are private institutions.

In Kenya, Musyimi (2016) attempted to ascertain how staff performance in commercial banks is affected by ethical leadership. Additionally, a cross sectional survey design was deployed. The research comprised of a population of all 43 Kenyan commercial banks. Stratified sampling was use in the study as population was easily classified into strata. Data was gathered via self-disseminated questionnaires. The revelations from this study were that good corporate governance, presence of ethical control and compliance department and adherence to strict code of conduct and ethics resulted in the achievement of good ethical leadership. The improvement in employee - manager relationship as a result of good ethical leadership therefore prevented corruption and reduced dishonesty as well as improved the workers'

attitude towards the organization. However, the study was limited to commercial banks in Kenya, which are private institutions with different mission, vision and objectives.

Yatich and Musebe (2017) assessed the influence of ethical behaviour on organizational performance in the Kenyan Public Health Sector. The study was carried out in Baringo District Hospital-Kabarnet, Rift-Valley Province. A mixed approach method was used with a survey research design. The study applied a census inquiry on all 174 staffs in the facility. Questionnaires were used for primary data collection. The results showed that neglect, absenteeism, poor time management, corruption, disputes, and dishonest were rife in the sector. However, the study was conducted in Public Health Sector that deals with the provision of health services unlike KeNHA that deals with construction and maintenance of roads.

2.3.3 Human Assets Management and Organizational Performance

The effect of growth of human capital in Nigerian SMEs performance was studied by Ojokuku and Sajuyigbe (2015). The research used a survey of 80 SMEs that were randomly selected in Ibadan. Structured questionnaires were used for data gathering. A combination of the Multiple Regression Analysis as well as the Pearson Product Moment Correlation Coefficient was employed in data analysis in establishing the correlation between study variables. Findings from the research revealed that human capital development variables significantly affect the SMEs' performance. However, this study was focused on the SME's in Nigeria and thus a local perspective of the study was not captured. Moreover, the study also adopted the use of Pearson Product Moment Correlation Coefficient in analyzing its data, which cannot show the weight of associations between variables.

Mwaniki and Gathenya (2015) carried out a study to examine the role of human resource management on organizational performance with reference to Kenya Power & Lighting

Company – Nairobi West Region. The study adopted a case study descriptive survey. The target population of study covered Kenya Power– Nairobi West region. The population consisted of all employees in the 12 departments with a total number of 914 employees. Stratified sampling technique was used to select the sample size. Secondary data was used in the literature review of the study. A semi-structured questionnaire was used to obtain the data required. The study found out that recruitment and selection positively affected organizational performance. Nonetheless, the study was conducted as a case study of Kenya Power & Lighting Company in Nairobi West Region which specializes in provision of power to citizens and hence different from KeNHA that deals with construction and maintenance of roads.

Banu and Chandran (2019) examined impact of human capital management on organizational performance- a study with reference to private sector banks. The study is based on both primary and secondary data. Primary data was obtained through structured Questionnaire. The researcher used convenience sampling method to collect the response from employees of banking sector. The researcher considered top 5 performing banks and bottom 5 performing banks in the private sector. This research revealed that proper recruitment and selection of bank employees and rationalized performance evaluation are able to give maximum benefit to their customer in the form of best service quality and satisfaction. It is revealed that proper recruitment and selection of bank employees and rationalized performance evaluation are able to give maximum benefit to their customer in the form of best service quality and satisfaction. Nonetheless, the study was conducted in private sector banks whose objective is different from that of KeNHA, which is a public institution. In addition, this study used convenience sampling while the current study used a census approach to include all the respondents.

Jamal and Saif (2011) examined the impact of human asset management on organizational performance. Data was collected from 16 firms (knowledge intensive industry segment) located in Peshawar (Pakistan) in where source of competitive advantage is human capital namely higher education institutions and pharmaceutical firms. Employing sample size of 316 employees and 16 executives on human asset management score card and organizational performance constructs data were collected. Results of the study show that firm's human asset management has a significant positive impact on organizational performance. However, the study was conducted in Pakistan, a country with different macroeconomic environment from that of Kenya. In addition, the study was limited to higher education institutions and pharmaceutical firms, which are different from KeNHA in terms of objectives, mission and vision.

2.3.4 Strategic Controls and Organizational Performance

Muraleetharan (2013) conducted a research whose aim was to establish the connection that existed between control activities and Jaffna District's organizational performance. The study used 126 employees sampled in the organizations. Questionnaires with a 5-point Likert scale were used for data collection. The findings revealed the existence of a positive relationship. However, this study was limited to Jaffna district in Sri Lanka and neglected the performance of KeNHA. This study also limited its findings to one strategic leadership practice; strategic control. However, the study was limited to Sri Lanka, a country with different macroeconomic environment, legal environment and political environment from that of Kenya. In addition, the study focused on low level management (employees), but the current study focused on managers and assistant managers.

In Nigeria, Hussaini (2018) studied the effect that internal control has on commercial banks' performance. The research employed a survey method and stratified random sampling. Three hundred and eight- two questionnaires were given to participants who were either staff of operations, marketing, or in security department in the banks. The questionnaire was a Likert scale while SPSS was employed in data analysis. The study revealed a great correlation between internal control components and bank performance. However, premises of the research were confined to Nigeria. In addition, the study used stratified random sampling, but the current study adopted a census approach and hence the whole population was included in the study.

Using descriptive and cross- sectional survey research design, Gaturu, Waiganjo, Bichang'a and Oigo (2017) examined the influence of strategic control on organizational performance of mission hospitals in Kenya. The target population consisted of 58 mission hospitals in Kenya as listed by the Kenya Medical Directory. The study found that there is a significance relation between strategic control and organizational performance in terms of the frequency at which hospital bed is occupied by different patients in a month. However, the study was limited to mission hospitals, whose objective is to offer health services unlike KeNHA that focuses on the maintenance and construction of roads.

Wanjohi (2013) examined the effect of strategic control on organizational performance of Bamburi Cement Limited, Kenya. The research was approached as a single case study. The study relied on both primary and secondary data. Primary data was collected through structured personal interviews while secondary data was collected through observation of available company documents and company's published annual report and financial statements. The study found that strategic control has a positive and significant effect on

organizational performance of Bamburi Cement Limited, Kenya. However, the study was limited to Bamburi Cement Limited, which is a profit making organization and hence its performance is different from that of KeNHA. Also, the study adopted a case study design, which is different from descriptive research design.

Lubanga (2019) assessed the effect of strategic control on company's non-financial performance of Nairobi Hospital. The study adopted a descriptive correlation research method in analyzing, interpreting, and presenting data. The study used questionnaires to get data from respondents. The study focused on 70 strategic management team and departmental heads at the Nairobi Hospital. The study established that strategic control positively and significantly predicted company performance. However, the study was conducted in Nairobi Hospital whose objective, mission and vision differ from that of KeNHA.

2.4 Summary of Research Gaps

A number of authors have conducted studies related to strategic leadership practices effect on performance; however, majority of the authors left numerous gaps that the present study aimed to fill. From the empirical reviews shown here, it is clear that strategic leadership practices affect organizational performance. Reviewed literature however, is indeterminate since these studies failed to carry out this discussion in the road sector parastatals. It was therefore necessary to carry out a research to establish whether strategic leadership practices influence KeNHA's organizational performance in order to fill this gap.

Table 2. 1: Summary of Research Gap

Author	Area of Study	Research Findings	Research Gaps	Gaps Filled
Strategic Direction and Organizational Performance				
Munyao, Chiroma and Ongeti (2020)	Effects of strategic direction on the performance of Africa Inland Church Theological Training Institutions in Kenya	Strategic direction had a positive effect on the performance of A.I.C theological training institutions in Kenya	However, the study was conducted in A.I.C theological training institutions, which are non-governmental organizations and hence their findings cannot be generalized to other organizations due to differences in legal framework and the vision of the organizations	The current study focused on KeNHA.
Muthaa and Muathe (2018)	Effects of the strategic direction on performance in respect to enrolment, resources, quality and efficiency	Strategic direction had significant influence on the performance of technical training institutions.	However, the study was limited to Technical Training Institutions in Meru County, which offer services unlike KeNHA that deals with construction and maintenance of roads.	The current study was conducted in KeNHA.
Ethical Practices and Organizational Performance				
Samak, (2017)	Impact of business ethics on employee's performance in Jordanian Public Universities	There exists a significant positive relationship between business ethics with employee's performance	The study used employee performance as the dependent variable The study was limited to Public Universities, which are different from KeNHA that deals with roads maintenance and construction.	This study used organization performance as the dependent variable The study focused on KeNHA.
Yatich and Musebe (2017)	Influence of ethical behaviour on organizational performance in the Kenyan Public Health	Neglect, absenteeism, poor time management, corruption, disputes, and dishonest were rife in the sector.	The study was conducted in Public Health Sector that deals with the provision of health services unlike KeNHA that deals with construction and maintenance or roads	This current research was entirely based on KeNHA

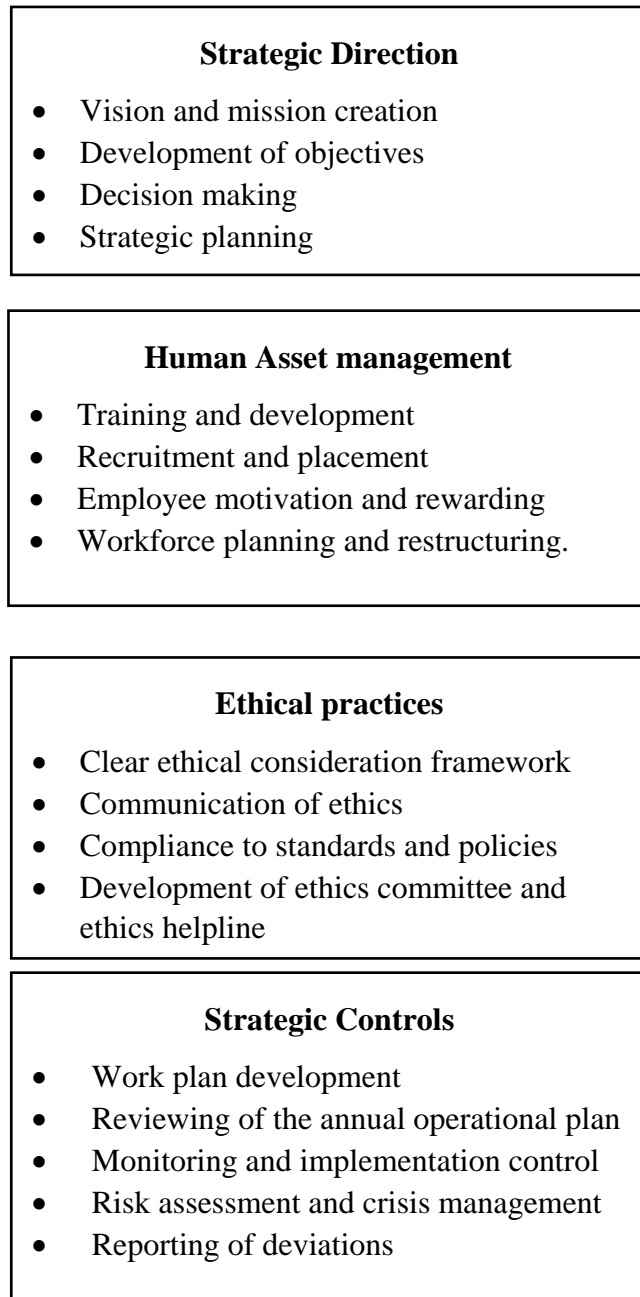
Author	Area of Study	Research Findings	Research Gaps	Gaps Filled
	Sector			
Human Assets Management and Organizational Performance				
Mwaniki and Gathenya (2015)	The role of human resource management on organizational performance with reference to Kenya Power & Lighting Company	Recruitment and selection positively affected organizational performance.	The study was conducted as a case study of Kenya Power & Lighting Company in Nairobi West Region which specializes in provision of power to citizens and hence different from KeNHA	The study made use of KeNHA that deals with construction and maintenance of roads
Jamal and Saif (2011)	Impact of human asset management on organizational performance	Firm's human asset management has a significant positive impact on organizational performance	The study was conducted in Pakistan, a country with different macroeconomic environment from that of Kenya. In addition, the study was limited to higher education institutions and pharmaceutical firms	This study was conducted in Kenya, specifically KeNHA
Strategic Controls and Organizational Performance				
Gaturu, Waiganjo, Bichang'a and Oigo (2017)	Influence of strategic control on organizational performance of mission hospitals in Kenya	There is a significance relation between strategic control and organizational performance	However, the study was limited to mission hospitals, whose objective is to offer health services unlike KeNHA that focuses on the maintenance and construction of roads.	This study was conducted in KeNHA and measured performance in terms of
Wanjohi (2013)	Effect of strategic control on organizational performance of Bamburi Cement Limited	Strategic control has a positive and significant effect on organizational performance of Bamburi Cement Limited	However, the study was limited to Bamburi Cement Limited, which is a profit making organization. The study adopted a case study design.	The study was conducted in KeNHA This study adopted a descriptive research design

Source: Researcher, (2021)

2.5 Conceptual Framework

Conceptual framework sets out the relation between study's variables by specifying their working definition. This facilitates a simple illustration of the flow of theoretical framework adopted by the research (Mugenda & Mugenda, 2003). This conceptual framework illustrated the relation that exists among the practices of strategic leadership and performance of the organization for this study. Strategic controls, human assets management, strategic direction and ethical practices were independent variables whilst dependent variable was organizational performance.

Independent Variables



Dependent Variable

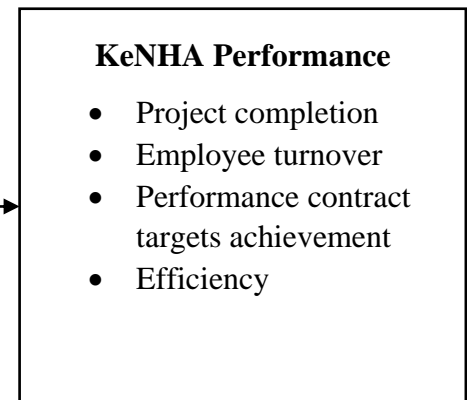


Figure 2. 1: Conceptual framework

Source: Researcher (2021)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Methods that the researcher used to facilitate this study are presented in this chapter. These methods are research design, study population, sample size, sampling procedure, data collection instruments, validity as well as reliability of instruments, data analysis, data presentation as well as ethical considerations.

3.2 Research Design

This study deployed descriptive research design. Kothari (2012) suggests that descriptive design describes, analyzes, and interprets conditions, which either existed or exist. It enables the researcher to collect data, analyze, present and interpret the information (Babbie, 2017). The researcher intended to obtain the needed data from a wide number of cases therefore the descriptive survey design was the best choice. Generalizations are made easily from surveys since the administering and development needs minimal involvement (Collis & Hussey, 2014). The study used descriptive research design as it involves retrieving the available information about the current status of a given phenomenon so as to provide a detailed description on the existing conditions with regard to conditions and variables under study without making any change in the variables (Kothari, 2012). Descriptive research design was adopted in this study since it will provide opportunity for analyzing qualitative and quantitative data so as to determine the characteristic of a phenomenon or population under study.

3.3 Target Population

This is a specific group of people from whom data is needed. A specific group of events, people and elements under study makes up a population according to Kothari (2012). The

target population of the study comprised of 11 offices in KeNHA, which include 10 regional offices and the headquarter office. The unit of observation in this study was managers and assistant managers working as in Road Asset and Corridor Management department, highway planning and design department, development department, corporate affairs department, audit services department as well as policy, strategy and compliance department. The target population was managers and assistant managers working 10 regional offices and the headquarter office of KeNHA.

The study used census approach and hence all the whole population was included in the study. A census is best used in small populations. As stated by Kothari (2012) census sampling design eradicates sampling error, is appealing for small populations, and gives data on all persons within the population. Census is considered to be a complete count of the whole population, wherein each and every unit of the population is included in the collection of data. One of the advantages of census is that the results drawn by conducting a census are accurate and reliable while there are chances of errors in the results drawn from the sample.

Table 3. 1: Target Population

Departments	Total number of managers	Percentage
Road Asset and Corridor Management	35	24.31
Highway Planning and Design	31	21.53
Development	33	22.92
Policy, Strategy and Compliance	20	13.89
Corporate Affairs	12	8.33
Audit Services	13	9.03
Total	144	100.00

Source, KeNHA, (2020)

3.4 Data Collection Instruments

The study made use of primary data, which was collected by use of structured questionnaires. According to Babbie (2017), primary data is the data collected directly from first-hand occurrence which has not been exposed to processing or any other form of handling. Structured questionnaire comprised of closed ended questions. The structured questions (closed ended questions) were in the form of a Likert scale and nominal scale. The study used a five point Likert scale to collect data on the dependent and independent variables. A nominal scale was used to collect data on the demographic information of the respondents. Questionnaires are considered a cost-effective way of collecting massive amounts of information from a large number of people in a relatively short period of time (Russell, 2017). Questionnaires will also be utilized in this research because they ensure anonymity as some of the information needed is sensitive and strategic to specific organizations.

The questionnaire comprised of six parts. Part one focused on acquiring the general demographics of the respondent as well as the organization, the second, third, fourth and fifth parts examined strategic leadership practices and the sixth part focused on organizational performance level.

3.5 Research Instruments Reliability and Validity

Pilot test was done so as to examine whether data collection instrument could give similar results when employed to measure similar items in similar conditions as well as test the validity of the research instrument. Additionally, pilot study enhanced elimination of ambiguous questions as well as ensured that all question are related to the topic being studied. A pilot was conducted using a 10 percent of the sample size as noted by Babbie (2017) hence

14 pilot questionnaires were administered to lower level managers outside the population census and were used to test for consistency and to ensure that it measured exactly what it was meant to measure.

3.5.1 Research Instrument Validity

Validity establishes the length at which the explanation of results from a test is actual and warranted and this is dependent upon the specific use that it is planned to serve (Creswell & Creswell, 2017). It is also the length at which a study tool estimates what it purports to estimate. The study focused on two types of validity: face validity and content validity. Content validity is the extent to which research tool embodies facets being studied in specific social construct (Greenfield & Greener, 2016). To improve the content validity, this study sought an expert opinion from the research supervisor on the suitability of questions on the questionnaire and their representativeness and also sought suggestions of corrections on the research tool. To improve face validity, a pilot study was conducted and the questions in the study were arranged as per the objectives of the study. Clear wording of the questions and the use of simple and familiar terms were used in this study.

3.5.2 Research Instrument Reliability

The Cronbach's alpha was employed to analyze and test all questions on the questionnaire. Alpha value spans between 0 and 1 whereby the greater the value the greater the reliability. The commonly recommended range of acceptable reliability is between 0.6 and 0.7 while a coefficient greater than 0.8 means that the reliability is good (Mugenda & Mugenda, 2003). Evaluation on how the managers answered the questions was done and amendments made prior to sending the data collection instrument to the respondents.

Table 3. 2: Reliability Results

Variable	Cronbach's Alpha	Interpretation
Strategic Direction	0.872	Excellent
Ethical Practices	0.754	Excellent
Human Assets Management	0.760	Excellent
Strategic Controls	0.824	Excellent
Organizational Performance	0.942	Excellent

From the findings, the strategic direction had average Cronbach's reliability alpha of 0.872, ethical practices had Cronbach's reliability alpha of 0.754, human assets management had an average Cronbach's reliability alpha of 0.760, strategic controls had a Cronbach's reliability alpha of 0.824 and organizational performance had average Cronbach's reliability alpha of 0.942. This implies that the study questionnaire met reliability criteria ($\alpha > 0.7$).

3.6 Data Collection Procedures

Prior to the collection of data, an Introduction Letter was obtained from Kenyatta University Graduate School. A research permit was obtained from the National Commission for Science, Technology and Innovation (NACOSTI). Due to Covid 19 measures, the study used online data collection methods, specifically Google forms. Google Forms is a cloud-based questionnaire and survey solution with real-time collaboration and powerful tools to customize form questions. Follow-ups were made on a daily basis to monitor the progress of the respondents in filling up the questionnaires.

3.7 Data Analysis and Presentation

The data analysis process entails packaging the collected data, putting it in order, and structuring its major elements in a way that the results can be easily and efficiently

communicated. The research questionnaire generated quantitative data, which were analyzed using descriptive and inferential statistics, with the help of the Statistical Package for Social Sciences (SPSS version 26) statistical software. Descriptive statistics which include frequency distribution, measures of variation and central tendency were employed in data analysis. Graphs as well as charts as well as tables were adopted during data presentation. Multiple regression analysis was also performed to assess the relationship between the independent variables and the dependent variable. This research used the below equation:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Whereby; Y = Organizational performance

 X₁= Strategic direction

 X₂= Human assets Management

 X₃= Ethical practices

 X₄= Strategic controls

 β₁, β₂, β₃, β₄ are coefficients of determination

 ε was error term

3.8 Ethical Considerations

An Introduction Letter was obtained from Kenyatta University Graduate School. The researcher then requested for data collection permit from National Commission for Science, Technology and Innovation (NACOSTI) to go to the field. In addition, the researcher ensured respect of human dignity, beneficence and justice which are the principles of acceptable code of conduct in any business endeavour. The respondents were asked whether they are willing to participate in this study since the principle of sensitivity was observed. Only the respondents who were willing to participate in the study were required to fill the questionnaire.

To ensure confidentiality, the participants got assurance from the researcher that any information they provided, during this study, was regarded with utmost confidentiality and it was used only for this study purposes. The research put the data documents in a locked location and restricted the access of the data documents by allowing selected individuals to access the data. The participants were requested not to indicate their personal contacts or their names when filling the questionnaires that were used in this study.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter outlines Analysis of data, presentation and interpretation of the findings and discussions as per objectives are outlined in this section. Moreover, the aim of conducting the research was to evaluate strategic leadership practices' effects on organizational performance at the Kenya National Highways Authority. The chapter covers response rate, respondents' demographic information, descriptive statistics for the independent and dependent variable as well as inferential statistics. Results of the study were given in figures (pie charts and bar charts) as well as tables.

4.2 Response Rate

Sample size was 144 managers and assistant managers working as Resident Assistants (RA) Community Managers (CM) and highway planning and design department, development department, corporate affairs department, audit services department as well as policy, strategy and compliance department at KeNHA. Of the 144 participants, 134 duly responded and returned their questionnaires. This represents a 93.06% rate of response which agrees with Kothari (2012) who states that 50 percent response rate is sufficient for effective analysis as well as reporting, 60 percent is acceptable whilst 70 percent is deemed excellent. The response rate in this study was excellent thus inferences could be made based on the data.

4.3 General Information

This section covers the respondents' age, gender, position in the organization, duration in the organization, education level and duration of time in current position.

4.3.1 Gender of the Respondents

The participants were requested to state their gender, and the results are presented in Figure 4.1.

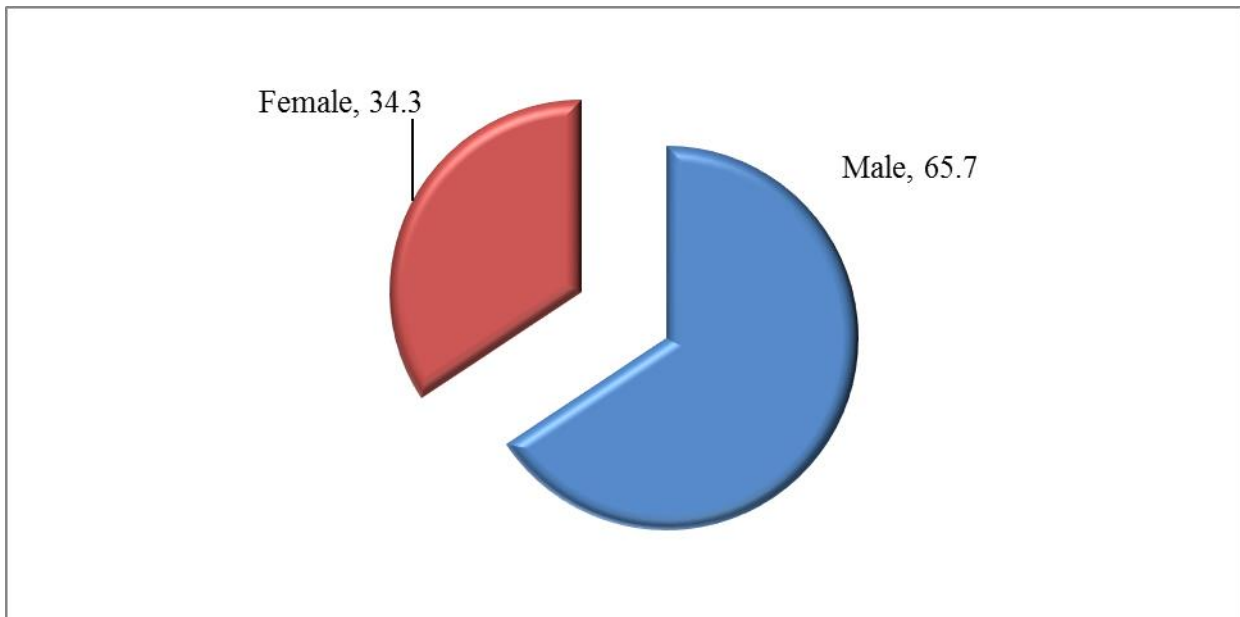


Figure 4. 1: Respondents' Gender

As indicated by the study findings, 65.7 percent of the participants indicated they were male whilst 34.3 percent were female. The results show that majority of the staffs working as directors, deputy directors, assistant deputy directors and senior engineers in charge of project design and management at KeNHA were male. These findings are in agreement with the constitution of Kenya 2010, Article 27 which emphasize on two third gender rule.

4.3.2 Respondents' Age

Participants were also requested to indicate their age bracket. The results were as presented in Figure 4.2.

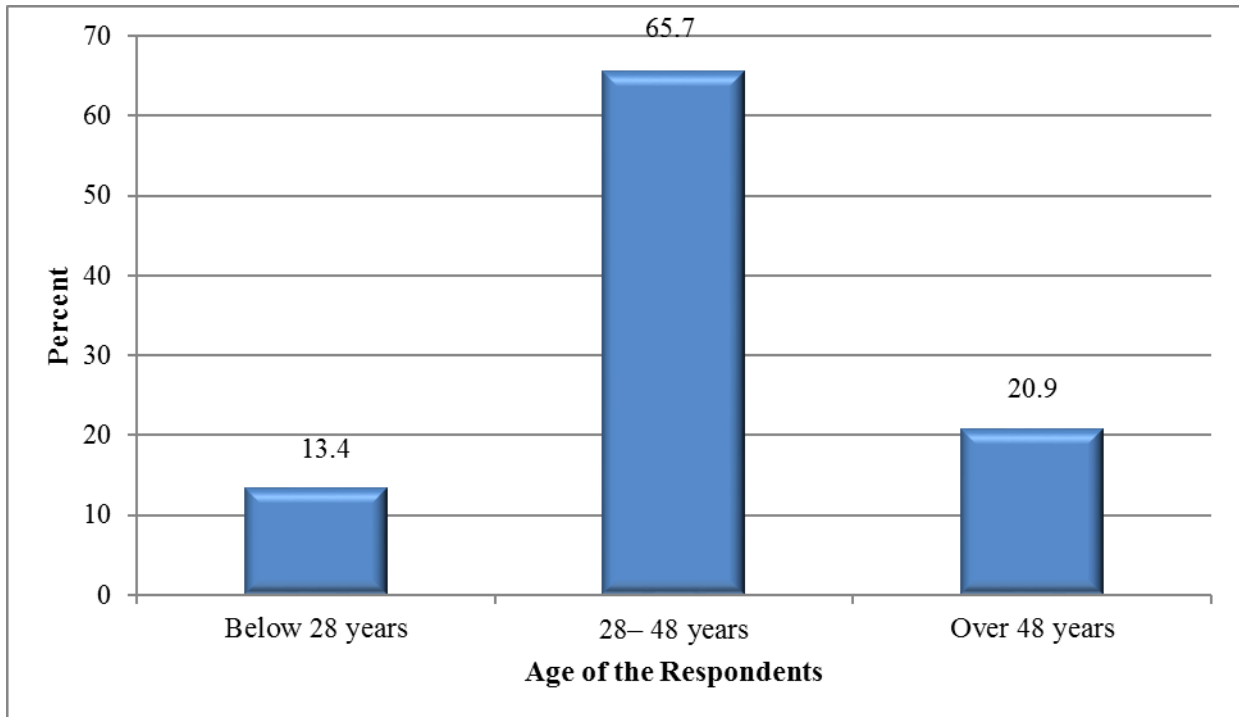


Figure 4. 2: Respondents Age

Moreover, according to the study, 65.7% of the selected respondents specified that they had between 28 and 48 and 44 years, 20.9% indicated over 48 years while 13.4% indicated below 28 years. This implied that most of the staffs working as directors, deputy directors, assistant deputy directors and senior engineers in charge of project design and management at KeNHA were aged between 28 and 48 years. Therefore, most of the staffs were mature enough to give substantial information.

4.3.3 Position of the respondents

Participants were required to indicate the positions they held in the place of work. Table 4.1 displays the findings.

Table 4. 1: Respondents' Position in the Organization

Position	Frequency	Percent
Directors	24	17.9
Deputy directors	28	20.9
Assistant Deputy Directors	34	25.4
Senior Engineers	48	35.8
Total	134	100

From the study findings, 35.8% of the respondents indicated that they were working in KENHA as senior engineers, 25.4% indicated that they were working as assistant deputy directors, 20.9% pointed out that they working as deputy directors and 17.9% indicated they were working as directors. This denotes that majority of the respondents were working as senior engineers in KENHA and therefore they had the relevant knowledge on effect of strategic leadership practices on organizational performance at the Kenya National Highways Authority.

4.3.4 Participants' Duration in their Organization

The participants were as well required to specify the period they had been working with KeNHA. The results were as shown in Table 4.2.

Table 4. 2: Participants' Duration in their Organization

Duration	Frequency	Percent
0-3 Years	18	13.4
3-6 Years	35	26.1
More than 6 Years	81	60.4
Total	134	100

It was disclosed that 60.4% of the participants had worked in KeNHA for over 6 years, 26.1% had worked for 3 to 6 years, and 13.4% for less than 3 years. Therefore, most of the staff working as directors, deputy directors, assistant deputy directors and senior engineers in charge of project design and management at KeNHA had worked for more than 6 years. Moreover, this implies that participants had adequate experience and knowledge on strategic leadership practices and the organizational performance at Kenya National Highways Authority.

4.3.5 Respondents' Level of Education

Respondents were also asked to specify their educational level. Findings were as shown in Figure 4.3.

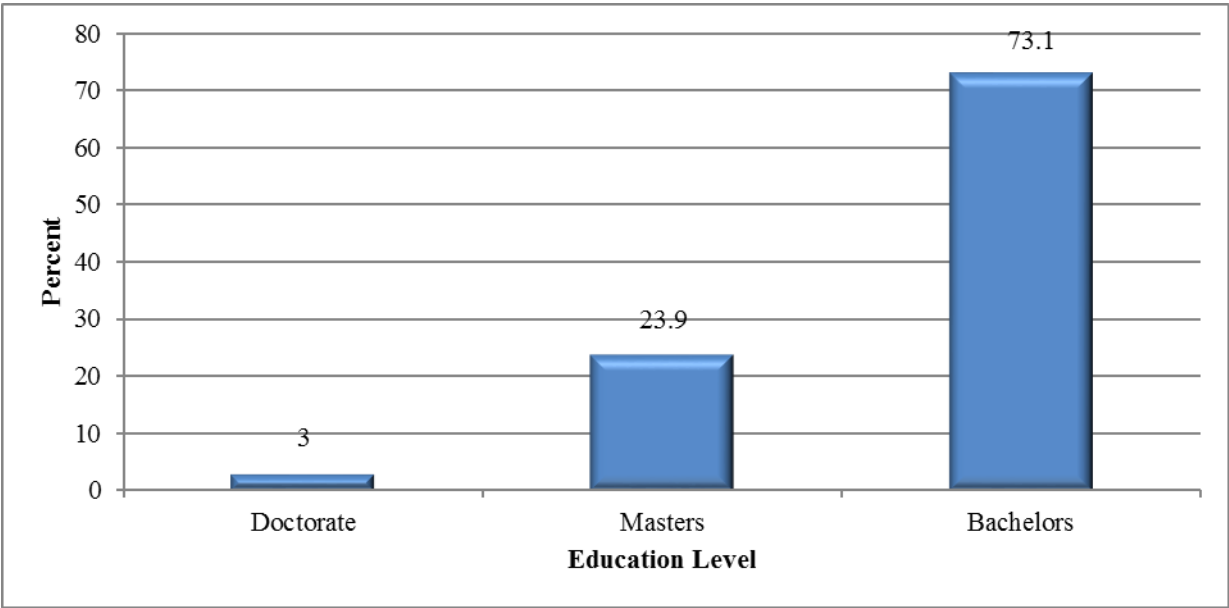


Figure 4. 3: Respondents' Education Level

From the study findings, 73.1% of the participants specified that they own bachelors as their education level, 23.9% pointed out masters' level and 3% indicated doctorate level. These imply that most of the respondents were literate enough to provide substantial information.

4.3.6. Duration in the Current Position

The participants were required to specify the duration in the current position. The results were as shown in Figure 4.4.

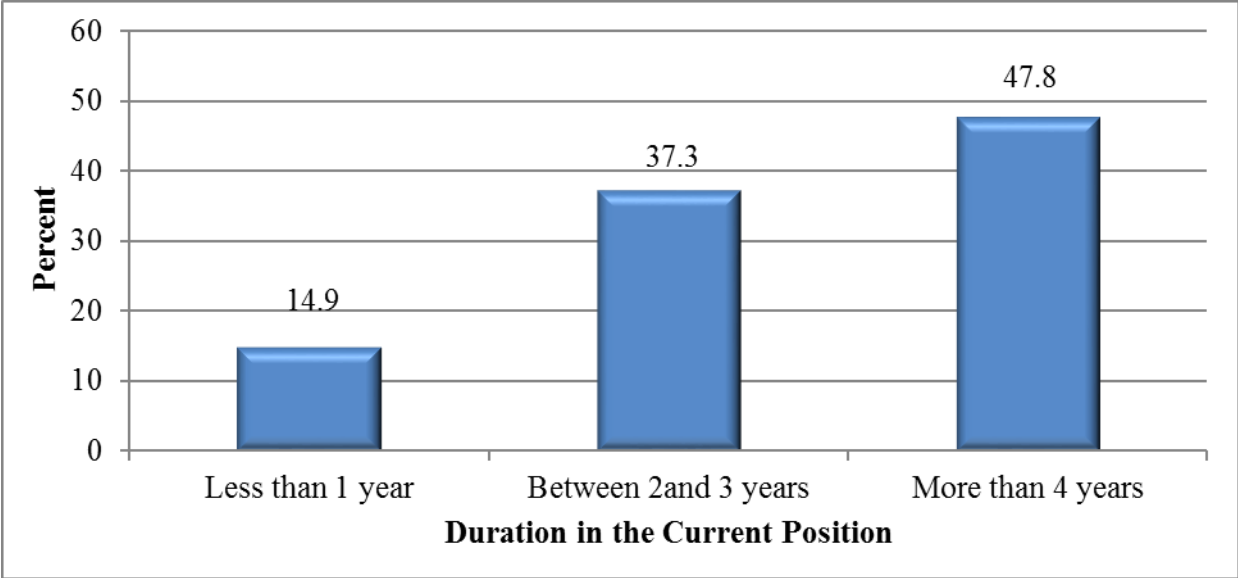


Figure 4. 4: Duration in the Current Position

According to the findings, 47.8% of participants indicated for over four years, 37.3% pointed out for between 2 and 3 years and 14.9% indicated for less than 1 year. This indicates that majority of the participants have sufficient experience to provide relevant information on effect of strategic leadership practices on organizational performance at the Kenya National Highways Authority.

4.4 Effect of Strategic Direction on Organizational Performance

First objective was to evaluate the effect of strategic direction on organizational performance at KeNHA. Participants were asked to rate how much they agreed with statements pertaining to the influence of strategic direction on organizational performance at KeNHA, 1 represented strongly disagree, 2 represented strongly disagree, 3 represented moderately agree, 4 represented agree, and 5 represented strongly agree. Kothari (2012) suggest that strongly agree (SA) is between 4.5 and 5.0, agree (A) is between 3.5 and 4.5, moderately agree is between 2.5 and 3.5, disagree is between 1.5 and 2.5 while strongly disagree is between 1 and 1.5.

Table 4. 3: Strategic Direction and Organizational Performance

	1	2	3	4	5	Mean	Std. Deviation
Organization's strategic direction has been determined by a clear mission, vision and objectives.	3.0	4.5	0.00	86.6	6.0	3.881	0.705
The objectives are regularly reviewed and revised when necessary.	79.1	13.4	0.00	7.5	0.00	1.358	0.826
The decisions in the organization are clear, direct, informed at all levels of the organization.	3.0	4.5	1.5	88.1	3.0	3.836	0.685
There is a formal and clear strategic planning process that brings about clear strategic direction.	3.0	3.0	1.5	83.6	9.0	3.925	0.700
The organization involves all employees at the various grades/positions in the strategy formulation	76.1	11.9	3.0	9.0	0.00	1.448	0.922
Aggregate mean score and standard deviation						2.890	0.768

Participants agreed with a mean of 3.881 that organization's strategic direction has been determined by a clear mission, vision and objectives. With a mean of 3.836 they agreed that the decisions in the organization are clear, direct, informed at all levels of the organization. However, with mean of 1.358, the participants strongly disagreed that the objectives in the organization are regularly reviewed and revised when necessary. These findings are contrary

to Ireland & Hitt, (2005) arguments that objectives in the organization should be regularly reviewed and revised when necessary so that the goals can be achieved within the specified time-frame.

The respondents agreed with mean of 3.925 that there exists a formal and clear strategic planning process that brings about clear strategic direction. Nevertheless, the respondents strongly disagreed that the organization involves all employees at the various grades/positions in the strategy formulation. This is shown by a mean of 1.448. The results are contrary to the findings of Mutia (2015) that creation and setting of strategic direction involves all employees in an organization as it aligns the actions of the employees all across. The aggregate mean was 2.890 and the standard deviation was 0.789, which implies that strategic direction moderately affects organizational performance.

4.5 Effect of Human Assets Management and Organizational Performance

The second objective was to assess influence of training, developing and motivating human assets on organizational performance at KeNHA. The participants were asked to rate how much they agreed with statements on effect of training, developing and motivating human assets on the organizational performance at KeNHA. The results generated were presented in Table 4.4.

Table 4. 4: Influence of Human Assets and Organizational Performance.

	1	2	3	4	5	Mean	Std. Deviation
Human resource training and development is formally planned whereby all employees are trained annually in the organization.	1.5	4.5	1.5	85.1	7.5	3.925	0.633

The organization has a clear framework of employing competent employees in a clear and competent process based on skills, competencies and experience	1.5	4.5	1.5	88.1	4.5	3.896	0.604
Employees are rewarded, motivated and encouraged for their outstanding performance annually.	79.1	13.4	4.5	3.0	0.00	1.313	0.698
On the job trainings to improve efficiency and effectiveness in work are conducted.	3.0	3.0	1.5	86.6	6.0	3.896	0.675
There exists an employee competency inventory and there is a process for addressing competency gaps and succession plans for leadership positions.	0.00	4.5	0.00	91.0	4.5	3.955	0.473
Human resource professionals should be involved in strategic workforce planning and restructuring efforts.	3.0	4.5	0.00	91.0	1.5	3.836	0.663
Aggregate mean score and standard deviation						3.470	0.624

According to the study results, the respondents agreed that human resource training and development is formally planned whereby all employees are trained annually in the organization as indicated by mean of 3.925. They as well agreed by a mean of 3.896 that the organization has a clear framework of employing competent employees in a clear and competent process based on skills, competencies and experience. However, with mean of 1.313, the participants disagreed that employees are rewarded, motivated and encouraged for their outstanding performance annually. These findings are contrary to Ojokuku and Sajuyigbe (2015) discoveries that rewarding and also recognizing staffs creates stronger associations, which as a result spurs motivation and reduces employees' turnover.

With mean of 3.955 they as well agreed that there exists an employee competency inventory and there is a process for addressing competency gaps and succession plans for leadership positions. In addition, they agreed that KENHA conducts on-job trainings to improve efficiency as well as effectiveness in work. This is shown by a mean of 3.896. These results conform to Sullivan and Sheffrin (2003) discoveries that Employees can expand their knowledge base and improve their professional abilities through on-the-job training, allowing them to be more productive in the workplace. Moreover, the respondents agreed with mean of

3.836 that HR professionals should be involved in strategic workforce planning and restructuring efforts. The aggregate mean was 3.470 and a standard deviation of 0.624, which implies that the human assets management was moderately adopted and affected organizational performance.

4.6 Effect of Ethical Practices on Organizational Performance.

The third objective was to evaluate the effect of ethical practices on the organizational performance at KeNHA. The participants were asked to rate how much they agreed with statements regarding the effect of emphasizing and communicating ethical practices on the organizational performance at KeNHA. The results are displayed in Table 4.5.

Table 4. 5: Ethical practices and Organizational Performance

	1	2	3	4	5	Mean	Std. Deviation
The organization has a clear framework on ethical considerations and employees are taken on regular training to apply the values in hypothetical situations.	88.1	7.5	1.5	3.0	0.00	1.194	0.607
There is a proper ethics communication strategy to make sure that employees know what is needed or expected from them and what resources are available to them.	89.6	6.0	3.0	1.5	0.00	1.164	0.537
All the employees are encouraged to abide by the laid down ethical codes, standards and policies	4.5	3.0	1.5	86.6	4.5	3.836	0.748
There is a well constituted ethics committee to oversee the organization's ethics initiative and to ensure the code of conduct is adhered to.	88.1	9.0	0.00	3.0	0.00	1.179	0.573
The organization should create an ethics helpline for reporting unethical conduct in the organization.	4.5	3.0	0.000	88.1	4.5	3.851	0.741
Aggregate mean score and standard deviation						2.245	0.641

The participants agreed with mean of 3.836 that all employees are encouraged to abide by the laid down ethical codes, standards and policies. However, with mean of 1.194 the participants

strongly disagreed that the organization has a clear framework on ethical considerations and employees are taken on regular training to apply the values in hypothetical situations. Moreover, they strongly disagreed that there is a proper ethics communication strategy to make sure that employees know what is needed or expected from them and which resources are available to them. This is shown by mean of 1.164. These results are contrary to Musyimi (2016) arguments that proper ethics communication strategy ensures that employees are aware of the accepted code of conduct in an organization.

As shown by mean of 3.851, respondents agreed with the statement indicating that the organization should create an ethics helpline for reporting unethical conduct in the organization. Nonetheless, they strongly disagreed that there is a well constituted ethics committee to oversee the organization's ethics initiative and to ensure the code of conduct is adhered to. This is shown by mean of 1.179. The results are contrary to Juma and Ndisya (2016) findings that the leaders should provide proper leadership in by putting in place proper systems and controls that encourage ethical conduct. The aggregate mean was 2.245 and the standard deviation was 0.641, which implies that ethical practices were adopted to a low extent.

4.7 Effect of Strategic Controls on Organizational Performance

Forth objective was to examine whether strategic control influences organizational performance at KeNHA. Respondents were also asked to rate how much they agreed with statements regarding the influence of establishing and retaining balanced strategic control on performance at KeNHA. Findings were shown in Table 4.6.

Table 4. 6: Effect of Strategic Controls on Organizational Performance

	1	2	3	4	5	Mean	Std. Deviation
Work plan addresses the organizations objectives, targets, timelines, monitoring and budgeting	4.5	3.0	0.00	83.6	9.0	3.896	0.778
Strategic plan is reviewed quarterly and it informs and adds to annual operational plan while guiding the organization's schedule of activities.	3.0	1.5	1.5	91.0	3.0	3.896	0.604
Projects performance is measured against the expected performance or targets.	1.5	3.0	1.5	89.6	4.5	3.925	0.557
There is a record of potential risks in the organization and series of actions on how to mitigate them.	3.0	3.0	1.5	86.6	6.0	3.896	0.675
There exists a quick response and immediate and rapid reassessment of strategy in case of sudden or unexpected crisis.	82.1	9.0	3.0	6.0	0.00	1.328	0.802
The organization's control system should work on the exception principle; only important deviations are reported to the management.	82.1	10.4	3.0	4.5	0.00	1.299	0.736
Aggregate mean score and standard deviation						3.040	0.692

Respondents further agreed that projects performance is measured against the expected performance or targets as indicated by mean of 3.925. They as well agreed with mean of 3.896 that work plan addresses the organizations objectives, targets, timelines, monitoring and budgeting. In addition, with a mean of 3.896 they agreed that the strategic plan is reviewed quarterly and it informs and adds to annual operational plan while guiding the organization's schedule of activities. These findings are in line with Muraleetharan (2013) arguments that reviewing strategic plan at regular basis helps to assess how well an organization has performed, relative to its goals while guiding the organization's schedule of activities.

The respondents further agreed with mean of 3.896 that there is a record of potential risks in the organization and series of actions on how to mitigate them. However, they strongly

disagreed that there exists a quick response and immediate and rapid reassessment of strategy in case of sudden or unexpected crisis. This is shown by mean of 1.328. The results are contrary to Hussaini, Umaru and Muhammed, Umar (2018) findings that quick response in case of sudden or unexpected crisis minimizes damage and enables the affected organization to recover quickly. Moreover, the participants strongly disagreed that organization's control system should work on the exception principle; only important deviations are reported to the management. This is shown by a mean of 1.299. The aggregate mean was 3.040 and the standard deviation was 0.692, which implies that strategic controls were adopted to a moderate extent in KeNHA.

4.8 Organizational Performance

In this study, dependent variable was organizational performance. Respondents were requested to indicate the organizational performance of KENHA based on strategic direction, human assets, ethical practices and strategic control.

Table 4. 7: Organizational Performance

	1	2	3	4	5	Mean	Std. Deviation
Efficiency is evaluated in the delivery of projects and services.	1.5	3.0	1.5	89.6	4.5	3.925	0.557
Corrective actions are promptly taken in regard to performance results.	0.00	0.00	0.00	98.5	1.5	4.015	0.122
Committees and task forces' performance is measured on at least an annual basis against determined outcomes and expectations.	3.0	3.0	0.00	88.1	6.0	3.910	0.666
Progress of projects is measured quarterly against the expected targets. (Performance Contracts targets)	1.5	3.0	1.5	91.0	3.0	3.910	0.541
There is a high annual employee/contractors turnover (not retired or discharged)	85.1	7.5	3.0	4.5	0.00	1.269	0.727
Quality of processes and projects are enhanced and conformity is maintained.	1.5	3.0	1.5	89.6	4.5	3.925	0.557

Projects are timely completed within the intended period and commissioned.	1.5	1.5	1.5	92.5	3.0	3.940	0.487
The cost of projects falls within the budgeted amounts with little or no variations or appraisals during the course of the project undertaking.	3.0	3.0	1.5	85.1	7.5	3.910	0.688
Least amount of time is taken to respond to sudden crisis or challenges facing the organization or its clients	3.0	0.00	4.5	86.6	6.0	3.925	0.609
Aggregate mean score and standard deviation						3.637	0.550

As shown on Table 4.7, they agreed that corrective actions are promptly taken in regard to performance results. This is shown by mean of 4.015. Further, with mean of 3.925, they agreed that efficiency is evaluated in the delivery of projects and services. The respondents also agreed that committees and task forces' performance is measured on at least an annual basis against determined outcomes and expectations as indicated by mean of 3.910.

With mean of 3.925, they also agreed that quality of processes and projects are enhanced and conformity is maintained. Moreover, as indicated by mean of 3.910, they further agreed that progress of projects is measured quarterly against the expected targets (Performance Contracts targets). However, with mean of 1.269, they strongly disagreed that there is a high annual employee/contractors turnover (not retired or discharged).

With mean of 3.940, they further agreed that projects are timely completed within the intended period and commissioned. Moreover, they agreed that least amount of time is taken to respond to sudden crisis or challenges facing the organization or its clients. This is shown by mean of 3.925. Additionally, they agreed with mean of 3.910 that the cost of projects falls within the budgeted amounts with little or no variations or appraisals during the course of the project undertaking. The aggregate mean was 3.637 and the standard deviation was 0.550, which implies that the organizational performance of KeNHA was moderate.

4.9 Inferential Statistics

The study used regression analysis to assess the relationship between independent variables (strategic direction, human assets management, ethical practices and strategic controls) and the dependent variable (organizational performance).

Multiple regression models were as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Whereby; Y was organizational performance, β_0 was a Constant, β_1 - β_4 were Coefficients of determination, X_1 was strategic direction, X_2 was human assets management, X_3 was ethical practices, X_4 was strategic control and ε was Error term.

Table 4. 8: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.856 ^a	.733	.716	.06396

a. Predictors: (Constant), Strategic Controls, : Ethical Practices, Human Assets Management, Strategic Direction

The R square depicts the variance in the predicted variable that can be explained by predictor variables under consideration. The adjusted r squared was 0.716. It denotes that the four study variables (strategic direction, ethical practices, human assets, and strategic control) can explain 71.6% of the dependent variable (organizational performance). This means that other factors not considered in this study account for 28.4 percent.

Table 4. 9: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.834	4	7.2085	109.041	.000 ^b
	Residual	8.528	129	0.06611		
	Total	37.362	133			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Strategic Controls, Ethical practices, Human Assets Management, Strategic Direction

The Analysis of Variance illustrates whether or not the model employed is fit for the data. F-calculated (109.041) is not less than F-critical (2.447), indicating that the model is fit for forecasting the independent variables' effect on the predicted variable. Additionally, p-value (0.000) is below 0.05 indicating that the model can be used as a good fit for the research data.

Table 4. 10: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.607	0.041		14.80488	0.000
Strategic Direction	0.328	0.104	0.307	3.15385	0.003
1 Human Assets management	0.527	0.102	0.518	5.16667	0.000
Ethical practices	0.198	0.082	0.176	2.41463	0.012
Strategic Controls	0.451	0.101	0.441	4.46535	0.000

a. Dependent Variable: Organizational Performance

Regression model is:

$$Y = 0.607 + 0.328 X_1 + 0.527 X_2 + 0.198 X_3 + 0.451 X_4$$

Strategic direction has positive and significant effect on organizational performance at KeNHA as illustrated by a regression coefficient of 0.328. It is an implication that 0.328 improvements in organizational performance at KeNHA can be as a result of a unit increment in strategic leadership practices. They correlated significantly since p value (0.003) was less than (0.05) significant level. These findings conform to Mutia (2015) discoveries that there existed a positive significant correlation between church's determination of strategic direction and performance. The results agree with statement of Gerras et al. (2010) that strategic direction has positive significant influence on organizational performance of churches in Kenya.

The results indicate that human assets management has positive significant effect on organizational performance at KeNHA as indicated by $r = 0.527$. This denote that unit enhancement in human assets will lead to enhancement in organizational performance at KeNHA. They significantly related since p-value (0.000) was less than 0.05 significance level.

The outcomes agree with Ojokuku and Sajuyigbe (2015) findings that the human capital development significantly affects the SMEs' performance. These findings are in line with Sullivan and Sheffrin (2003) discoveries that human assets are apparent in the labor force to achieve economic gain and result in the enhancement of the organization's performance.

Moreover, the result indicated that ethical practices has positive significant effect on organizational performance at KeNHA as indicated by $r= 0.198$. Thus, unit improvement in ethical practices will lead to improvement in organizational performance at KeNHA. They significantly associated as the p value (0.012) was less than the 0.05 significant level. The outcomes concur with Kjelin, (2009) who posits that ethical practices have positive influence on Nigerian commercial banks' performance. These findings concur with Musyimi (2016) findings that ethical practices influences employee performance in Kenyan commercial banks.

Results indicate that strategic controls have positive and significant effect on the organizational performance at KeNHA as indicated by the $r=0.451$. This implies that unit improvement in strategic controls will lead to enhancement in organizational performance at KeNHA. There was a significant connection because p-value (0.000) was less than 0.05 significant level. The results were in agreement with Volberda et al. (2011) who state that strategic controls is an instrument for strategy execution for scanning the environment and giving feedback to aid the strategy management process and it positive affects organizational performance. The findings conform to Redding, (2002) findings that strategic controls are paramount in ensuring that organizations achieve and realize their goals and objectives thus improving their overall performance.

CHAPTER FIVE: SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The section covers summary of results, discussion on major results, conclusion as well as recommendation. Recommendations and conclusions centered on addressing the purpose of the study, which was to assess the effect of strategic leadership practices on the organizational performance at the Kenya National Highways Authority. The study also sought to evaluate the effect of strategic direction, human assets management, ethical practices and strategic control on the organizational performance at Kenya National Highways Authority.

5.2 Summary

This research focused on determining strategic leadership practices' effects on organizational performance at the Kenya National Highways Authority. The study further attempted to assess whether creating and setting strategic direction influences organizational performance at KeNHA; evaluate the effect of training, developing and motivating human assets on the organizational performance at KeNHA; evaluate the impact of emphasizing and communicating ethical practices and examine effect of establishing and retaining balanced strategic control on the organizational performance at KeNHA.

Descriptive research design was employed in this study. Moreover, study population composed of 144 staff working as directors, deputy directors, assistant deputy directors and senior engineers in charge of project design and management at KeNHA. The study deployed primary data which was gathered by employing a questionnaire which was sent to the

respondents through email. Multiple regression analysis was performed to measure and evaluate the correlation existing between study variables and results were then given in prose format. The quantitative data was analyzed by employing inferential as well as descriptive statistics with assistance of SPSS version 22. Moreover, descriptive statistics comprised of mean, percentages frequency and standard deviation. Graphs and tables were utilized in results presentation.

5.2.1 Effect of Strategic Direction on Organizational Performance

The research revealed that strategic leadership practices have a statically significant effect on organizational performance at KeNHA ($\beta_1=0.328$, p-value= 0.003). Additionally, the study discovered that the organization's strategic direction has been determined by a clear mission, vision and objectives. Moreover, the study revealed that the decisions in the organization are clear, direct, informed at entire levels of an organization. Moreover, the study discovered that there is formal and clear strategic planning process that brings about clear strategic direction. However, the study found that the objectives in the organization are rarely reviewed and revised. In addition, the study indicated that the organization does not involve all employees at the various grades/positions in the strategy formulation.

5.2.2 Effect of Human Assets Management and Organizational Performance

The study established that human assets management has statistically significant effect on organizational performance at KeNHA ($\beta_2=0.527$, p-value= 0.000). Moreover, the research discovered that human resource training as well as development at KENHA is formally planned whereby all employees are trained annually in. Additionally, the research discovered that KeNHA has a clear framework of employing competent employees in a clear and

competent process based on skills, competencies and experience. Moreover, the study found that there exist an employee competency inventory and there is a process for addressing competency gaps and succession plans for leadership positions at KENHA. Furthermore, the study revealed that on the organization conducts on-job trainings to improve efficiency as well as effectiveness in work. The study also revealed that human resource professionals should be involved in strategic workforce planning and restructuring efforts. However, the study revealed that employees are not rewarded, motivated and encouraged for their outstanding performance annually.

5.2.3 Effect of Ethical practices on Organizational Performance

The study established that ethical practices have a statistically significant effect on organizational performance at KeNHA ($\beta_3=0.198$, p-value= 0.012). The research also found that all employees are encouraged to abide by the laid down ethical codes, standards and policies. In addition, the study indicated that there is need for the organization to create an ethics helpline for reporting unethical conduct. However, the study discovered that the organization lacks a clear framework on ethical considerations and employees are rarely trained to apply the values in hypothetical situations. Moreover, the study revealed that there is no proper ethics communication strategy to make sure that employees know what is needed or expected from them and what resources are available to them. Furthermore, the study established that there is no well constituted ethics committee to oversee the organization's ethics initiative and to ensure the code of conduct is adhered to

5.2.4. Effect of Strategic Controls on Organizational Performance

The research discovered that strategic controls have a statically significant effect on organizational performance at KeNHA ($\beta_4=0.451$, p-value= 0.000). Moreover, the study revealed that projects performance is measured against the expected performance or targets. The study also established that work plan addresses the organizations objectives, targets, timelines, monitoring and budgeting. In addition, the study found that strategic plan in KeNHA is reviewed quarterly and it informs and adds to annual operational plan while guiding the organization's schedule of activities. Furthermore, the study indicated that there is a record of potential risks in the organization and series of actions on how to mitigate them. However, the study revealed that there is no quick response and immediate and rapid reassessment of strategy in case of sudden or unexpected crisis in KeNHA. Moreover, the study established that the organization's control system should not work on the exception principle where only important deviations are reported to the management.

5.3 Conclusions

The research concludes that strategic direction has positive significant effect on organizational performance at KeNHA. This implies that an improvement in strategic direction would lead to an improvement in organizational performance at KeNHA. The study found that Vision and mission creation, development of objectives, Decision making and Strategic planning have an effect on organizational performance.

The study concludes that human assets management has positive significant effect on organizational performance at KeNHA. This implies that improvement in human assets management would lead to an enhancement in organizational performance at KeNHA. The

study established that training and development, recruitment and placement, employee motivation and rewarding and workforce planning and restructuring have an effect on organizational performance.

The study also concludes that ethical practices have positive significant effect on organizational performance at KeNHA. This implies that ethical practices would lead to an improvement in organizational performance at KeNHA. The study revealed that clear ethical consideration framework, communication of ethics, compliance to standards and policies and development of ethics committee and ethics helpline have an effect on organizational performance.

The study further concludes that strategic control has positive and significant effect on organizational performance at KeNHA. This implies that strategic controls would lead to an improvement in organizational performance at KeNHA. The study revealed that work plan development, reviewing of the annual operational plan, monitoring and implementation control, risk assessment and crisis management and reporting of deviations have an effect on organizational performance.

5.4 Recommendations

The study found that strategic direction has a positive and significant effect on organizational performance. The study therefore recommends that the management of KeNHA should focus on improving vision and mission creation, development of objectives, decision making and strategic planning. The research found that objectives in KeNHA are rarely reviewed and revised. Thus, the study recommends that management at KeNHA need to frequently review

as well as revise the set objectives in order to effectively handle any arising need and also ensure that the goals can be achieved within the specified time-frame.

The study found that human assets management has an effect on organizational performance. As such, the study recommends that the management of KeNHA should improve on training and development, recruitment and placement, employee motivation and rewarding and workforce planning and restructuring. The study found that the organization does not involve all employees at the various grades/positions in the strategy formulation. Therefore, this study recommends the management should engage all the employees when developing the mission and vision, strategic plan and setting strategic goals and objectives since it inspires employees' commitment and gives them a sense of ownership in achieving their goals which in turn helps employees to push the performance.

Moreover, the study discovered that employees are not rewarded, motivated and encouraged for their outstanding performance annually. This study thus recommends that management at KeNHA should reward and recognize employee who portray outstanding performance in order to create stronger relationships, spur motivation and reduce employees' turnover.

The study found that ethical practices have a significant effect on organizational performance. Therefore, the management of KeNHA should develop a clear ethical consideration framework as well as ensure communication of ethics, compliance to standards and policies and development of ethics committee and ethics helpline.

The study revealed that KeNHA lacks a clear framework on ethical considerations and employees are rarely trained to apply the values in hypothetical situations. The study recommends that management should set a clear framework on accepted code of conducts to

ensure that the organization values are upheld which in turn increases the organizational performance. Moreover, the management should conduct frequent training to impact the employees with proper knowledge and skills on how to apply the values in hypothetical situations.

The study found that KeNHA has no proper ethics communication strategy. This study therefore recommends that management need to come up with an appropriate and clear ethics communication strategy to ensure that employees know what is needed or expected from them and the resources are available to them.

The study found that KeNHA has no well constituted ethics committee to oversee the organization's ethics initiative. Thus, the study recommends that KeNHA's management ought to form an ethic committee to ensure the code of conduct is adhered to and any one going against the accepted code of conduct is punished accordingly.

The study found that strategic controls have a significant effect on organizational performance of KeNHA. The study therefore recommends that the management of KeNHA should ensure work plan development, reviewing of the annual operational plan, monitoring and implementation control, risk assessment and crisis management and reporting of deviations. The study established there is no quick response and immediate and rapid reassessment of strategy in case of sudden or unexpected crisis in KeNHA. The study thus recommends that KeNHA's management ought to develop proper strategies to quickly respond to unexpected crisis in order to minimize the damage and enable the organization to recover quickly.

5.5 Suggestions for Further Studies

The purpose of this study was to assess the effect of strategic leadership practices on organizational performance at the Kenya National Highways Authority. However, this study was only limited to Kenya National Highways Authority hence findings cannot be applied to other Kenyan road agencies. The study therefore recommends that additional studies should be conducted among agencies like KERRA and KURA to see if the road agencies have common problems. Additionally, the study found that 71.6% of organizational performance at the Kenya National Highways Authority could be explained by strategic leadership practices. As such, further studies assessing other factors influencing organizational performance at the Kenya National Highways Authority should be done.

The challenges that leaders face as they deliver strategic leadership should be researched in subsequent studies. Future studies should also be extended to researching on the strategic leadership practices in private firms in Kenya. In addition, strategic leadership practices implementation is dependent on the availability, allocation and timely release of resources. Future studies should therefore look at the moderating role of organizational resources on the relationship between strategic leadership practices and organizational performance.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

TOPIC: STRATEGIC LEADERSHIP PRACTICES ON ORGANIZATIONAL PERFORMANCE OF THE KENYA NATIONAL HIGHWAYS AUTHORITY

The research tool will gather information pertaining to strategic leadership practices and organizational performance at KeNHA. Confidentiality will be observed during data collection process. The information obtained will be employed for learning purposes only.

SECTION A: DEMOGRAPHIC INFORMATION

1. Specify your gender

Female Male

2. Age

28 years 28– 48 years

Over 48 years

3. What is the duration of your employment in this organization?

0-3 years years 3-6 Years

Over 6 years

4. To what education level have you gone?

Doctorate Masters

Bachelors

5. Specify your position in the organization?.....

6. Specify the period you have occupied current position?.....

Less than 1 year [] Between 2 and 3 years []

More than 4 years []

SECTION B: STRATEGIC DIRECTION

7. These statements depict how KeNHA creates and sets its strategic direction. Please tick (√) in the chosen box to show the extent you agree or disagree. The ratings are: strongly disagree denote 1; disagree denote 2; Agree denote 3; neutral, agree denote 4; and strongly agree denote 5

No.	Strategic direction	1	2	3	4	5
1.	The organization's strategic direction has been determined by a clear mission, vision and objectives.					
2.	The objectives are regularly reviewed and revised when necessary.					
3.	The decisions in the organization are clear, direct, informed at all levels of the organization.					
4.	There is a formal and clear strategic planning process that brings about clear strategic direction.					
5.	The organization involves all employees at the various grades/positions in the strategy formulation.					

SECTION C: HUMAN ASSETS MANAGEMENT

8. These statements depict how KeNHA trains, develops and motivates its human assets management. Please tick (√) in the chosen box to show the extent you agree or disagree. Strongly agree denote 5; Agree denote 4; Moderate denote 3; disagree denote 2; and strongly disagree denote 1

No.	Training, developing and motivating human assets	1	2	3	4	5
1.	Human resource training and development is formally planned whereby all employees are trained annually in the organization.					
2.	The organization has a clear framework of employing competent employees in a clear and competent process based on skills, competencies and experience.					
3.	Employees are rewarded, motivated and encouraged for their outstanding performance annually.					
4.	On-job trainings to improve efficiency as well as effectiveness in work are conducted.					
5.	There exists an employee competency inventory and there is a process for addressing competency gaps and succession plans for leadership positions.					
6.	Human resource professionals should be involved in strategic workforce planning and restructuring efforts.					

SECTION D: ETHICAL PRACTICES

9. These statements depict how KeNHA emphasizes and communicates ethical practices.

Please tick (√) in the chosen box to show the extent you agree or disagree. The ratings are: Very strongly agree = 5; Strongly Agree = 4; Agree = 3; Moderately agree = 2; and Slightly agree = 1

No.	Emphasizing and communicating ethical practices	1	2	3	4	5
1.	The organization has a clear framework on ethical considerations and employees are taken on regular training to apply the values in hypothetical situations.					
2.	There is a proper ethics communication strategy to make sure that employees know what is needed or expected from them and what resources are available to them.					
3.	All the employees are encouraged to abide by the laid down ethical codes, standards and policies					
4.	There is a well constituted ethics committee to oversee the organization's ethics initiative and to ensure the code of conduct is adhered to.					
5.	The organization should create an ethics helpline for reporting unethical conduct in the organization.					

SECTION E: STRATEGIC CONTROLS

10. These statements depict how KeNHA establishes and maintains balanced strategic controls. Please tick (√) in the chosen box to show the extent you agree or disagree. Strongly agree denote 5; Agree denote 4; Moderate denote 3; disagree denote 2; and strongly disagree denote 1.

No.	Establishing and maintaining balanced strategic controls	1	2	3	4	5
1.	Work plan addresses the organizations objectives, targets, timelines, monitoring and budgeting					
2.	Strategic plan is reviewed quarterly and it informs and adds to annual operational plan while guiding the organization's schedule of activities.					
3.	Projects performance is measured against the expected performance or targets.					
4.	There is a record of potential risks in the organization and series of actions on how to mitigate them.					
5.	There exists a quick response and immediate and rapid reassessment of strategy in case of sudden or unexpected crisis.					
6.	The organization's control system should work on the exception principle; only important deviations are reported to the management.					

SECTION F: ORGANIZATIONAL PERFORMANCE

11. Please tick (√) to show the level of agreement with the below statements. Strongly agree denote 5; Agree denote 4; Moderate denote 3; disagree denote 2; and strongly disagree denote 1

No.	Performance aspects	1	2	3	4	5
1.	Efficiency is evaluated in the delivery of projects and services.				=	
2.	Corrective actions are promptly taken in regard to performance results.					
3.	Committees and task forces' performance is measured on at least an annual basis against determined outcomes and expectations.					
4.	Progress of projects is measured quarterly against the expected targets. (Performance Contracts targets)					
5.	There is a high annual employee/contractors turnover (not retired or discharged)					
6.	Quality of processes and projects are enhanced and conformity is maintained.					
7.	Projects are timely completed within intended time and commissioned.					
8.	Cost of projects falls within the budgeted amounts with little or no variations or appraisals during the course of the project undertaking.					
9.	Least amount of time is taken to respond to sudden crisis or challenges facing the organization or its clients					

APPENDIX II: KeNHA OFFICES

1. Headquarter office - Barabara Plaza Airport North Road
2. Nairobi region office - Industrial Area Nairobi
3. South rift region office - Nakuru County
4. North rift region office - Uasin Gishu County
5. Western region office - Kakamega County
6. Nyanza region office - Kisumu County
7. Central region office - Nyeri County
8. Coast region office - Mombasa County
9. Upper eastern office - Isiolo County
10. Lower eastern office - Machakos County
11. North eastern office - Wajir County

APPENDIX III: APPROVAL OF PROJECT PROPOSAL



**KENYATTA UNIVERSITY
GRADUATE SCHOOL**

E-mail: dean-graduate@ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 020-8704150

Website: www.ku.ac.ke

Internal Memo

FROM: Dean, Graduate School

DATE: 28th July, 2020

TO: Ms. Mercy Koros
C/o Department of Business
Administration

REF: D53/CTY/PT/32060/2015

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL
=====

This is to inform you that Graduate School Board, at its meeting on 1st July, 2020, approved your Research Project Proposal for the MBA Degree entitled, "Strategic Leadership Practices on Organizational Performance of the Kenya National Highways Authority."

You may now proceed with your Data collection, subject to clearance with the Director General, National Commission for Science, Technology & Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and Progress Report Forms per semester. The Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

ELIJAH MUTUA
FOR: DEAN, GRADUATE SCHOOL

CC. Chairman, Department of Business Administration

Supervisors:

1. Dr. Mary Ragui
C/o Department of Business Administration
Kenyatta University

APPENDIX IV: RESEARCH AUTHORIZATION



**KENYATTA UNIVERSITY
GRADUATE SCHOOL**

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 020-8704150

Our Ref: D53/CTY/PT/32060/2015

DATE: 28th July, 2020

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

**RE: RESEARCH AUTHORIZATION FOR MS. MERCY KOROS – REG. NO.
D53/CTY/PT/32060/15**

I write to introduce Ms. Mercy Koros who is a Postgraduate Student of this University. She is registered for MBA degree programme in the **Department of Business Administration**.

Ms. Koros intends to conduct research for a MBA Project Proposal entitled, **“Strategic Leadership Practices on Organizational Performance of the Kenya National Highways Authority.”**

Any assistance given will be highly appreciated.


Yours faithfully,

A handwritten signature in blue ink, appearing to read 'E. Kimani', written over a horizontal line.

PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL


EH/ewer

APPENDIX V: RESEARCH LICENSE


REPUBLIC OF KENYA

Ref No: 334445

RESEARCH LICENSE




This is to Certify that Miss. Mercy Koros of Kenyatta University, has been licensed to conduct research in Garissa, Isiolo, Kakamega, Kisumu, Machakos, Mombasa, Nairobi, Nakuru, Nyeri, Uasin-Gishu on the topic: Strategic leadership practices on organizational performance of the Kenya National Highways


Authority for the period ending : 13/September/2021.

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NATIONAL COMMISSION FOR
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National Commission for Science, Technology and Innovation
off Waiyaki Way, Upper Kabete,
P. O. Box 30623, 00100 Nairobi, KENYA
Land line: 020 4007000, 020 2241349, 020 3310571, 020 8001077
Mobile: 0713 788 787 / 0735 404 245
E-mail: dg@nacosti.go.ke / registry@nacosti.go.ke
Website: www.nacosti.go.ke