

European Journal of
Business and Strategic Management
(*EJBSM*)

Strategy

**ORGANIZATIONAL LEADERSHIP DRIVER AFFECT
PERFORMANCE OF THE TOURISM STATE OWNED
CORPORATIONS IN KENYA**

Miriam Muthoka, Dr. Margaret Oloko & Dr. Levi Obonyo

ORGANIZATIONAL LEADERSHIP DRIVER AFFECT PERFORMANCE OF THE TOURISM STATE OWNED CORPORATIONS IN KENYA

^{1*}Miriam Muthoka,

^{1*}Post Graduate Student, School Of business

Jomo Kenyatta University of Agriculture and Technology, Kenya

***Corresponding Author's Email: mnmuthoka95@gmail.com**

²Dr.Margaret Oloko

Lecturer,

Jomo Kenyatta University of Agriculture and Technology, Kenya

***Corresponding Author's Email:**

³Dr. Levi Obonyo

Lecturer,

Jomo Kenyatta University of Agriculture and Technology, Kenya

Abstract

Purpose: This study sought to provide an opportunity to test organizational leadership driver on performance of the tourism state owned corporations in Kenya.

Methodology: The study employed descriptive and cross-sectional research designs. The target population comprised all the Tourism state owned corporations in Kenya with the management of these firms being the respondents. A census study was carried out due to small nature of the target population. Data collection involved the use of questionnaires which attracted both quantitative and qualitative responses. The questionnaires were administered through drop and pick method. The respondents were all the Chairmen, CEO, managers and assistant managers of all Tourism state corporations in Kenya. These data was analyzed using content analysis for qualitative data. The quantitative data was analyzed using regression analysis. ANOVA test was carried out to test the significance of the model.

Results: The results showed that most organizations give room for contingent rewards to its employees. Further results indicated that indicated that Individual characteristics, Idealized influence, Inspirational motivation, Intellectual stimulation and command and Control affect performance of the organization to a great extent. The results also showed that individualized influence, intellectual stimulation and practicing command and control are positively and

significantly related to performance of tourism organizations. The regression results indicated that organizational leadership driver was positively correlated to organization performance and it explains 29.1% of the changes in performance of the organizations. Organizational leadership driver was established to have a positive and significant effect on performance in the Tourism state corporations in Kenya.

Policy recommendation: The study recommended that Tourism state corporations in Kenya should have measures to adopt Individual characteristics, Idealized influence, Inspirational motivation, Intellectual stimulation among their leaders and command and Control.

Keywords: *organizational leadership driver*

1.0 INTRODUCTION

1.1 Background of the Study

Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited (WTO, 2012). From demand stakeholders' perspectives, accepted definition of tourism is "the activities of persons travelling to and staying in places outside their usual environment for not more than one year consecutively for leisure, business and other purposes". The Kenyan Tourism Bill 2010 concurs with the demand stakeholders' definition and defines tourism as "a person travelling to and staying in a place outside his or her usual abode for more than twenty-four hours, but not more than one consecutive year, for leisure, business or other purpose, not being a work (Ragui, 2013).

Tourism demand depends above all strongly on the economic conditions in major generating markets. When economies grow, levels of disposable income will usually also rise. A relatively large part of discretionary income will typically be spent on tourism, in particular in the case of emerging economies. Tourism is the fastest changing industry in the world because of technological changes. It also has the highest multiplier effect. Rowe, Smith and Borein (2002) highlight the multiplier effect from the tourism industry as being caused by the direct and indirect economic impact, where the direct includes benefit to the tourism industry players like tour and travel operators, transporters, accommodation, attraction sites and other tourist attractions. Indirectly, tourism promotes the economy through goods and services like laundry supplier, food supplier, shops and banks used by tourists during their visits. This in return creates employment thus eradicating poverty and hunger in the society (Ragui, 2013).

1.1.1 Strategic management drivers

According to Uzel (2012) states that there is intense competition in today's hotels which requires managers to adopt strategic drivers of performance in order to improve hotel services. Chen and Popovich (2003) state that hotels that maintain long run performance are the ones that is able to build customer loyalty and retention. Zablahet.al., (2004) established that CRM brings benefits

in terms of improved performance which results from acquiring new customers as well as sustaining customers for competitive advantage.

Leadership is a critical management skill, involving the ability to encourage a group of people towards common goal. Leadership focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills (Ismail et al., 2009). It basically helps followers achieve their goals as they work in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment (Azkaetet al, 2011).

1.1.2 Organizational Performance

A firm's organizational performance is a measure of how well a firm uses its assets from its core operations and generates revenues over a given period of time. This measure is thus compared to some given industrial average standard of similar firms in the same industry. Brealey, Myers and Marcus (2009) indicate that organizational performance can be measured in terms of profitability, liquidity, solvency, financial efficiency and repayment capacity. Profitability is the measures of the profit generated by a firm through the use of its productive assets; liquidity measures the ability of a firm to meet its obligations when they fall due; solvency measures a firm ability to pay all its financial obligations if all of its assets are sold. Therefore, a firm organizational performance can be measured using net income or net operating income, its assets performance or even its cash flows.

1.1.3 Tourism in Kenya

Kenya is one of the most popular tourism destinations in Africa and tourism is a key foreign exchange earner for the country. Kenya's tourism is founded on the country's rich wildlife resources (Sindiga, 1999), although beach tourism along the Indian Ocean coast is now equally important. Indeed, the coastal areas generate the highest number of bed occupancies, particularly from Germany and the United Kingdom. Sindiga (1999) notes a number of other assets and attractions that could be further developed to diversify the industry, (Kenya Economic Survey, 2014). With this facts, the number of visitors to national parks and game reserves declined from 2,492.2 thousand in 2012 to 2,337.7 thousand in 2013. This impact was mostly felt at Nairobi Mini Orphanage, Impala Sanctuary in Kisumu, Tsavo East and Lake Bogoria national parks. This was mainly attributed to the decrease in international visitor arrivals. However, visitors to Lake Nakuru National Park increased from 253.5 thousand in 2012 to 262.5 thousand in 2013 (RoK,2014).

1.2 Statement of the Problem

The greatest challenge as stated in the background of the study is the poor performance of the tourism industry (Economic survey of Kenya, 2014). It is also notable that the tourism industry has not emerged very strong in Poverty Alleviation (Kareithi, 2003). Kenyan vision 2030, regional stability and security, and a stable global economic environment, together with the

effectiveness and efficiency of State Corporation however can be a platform of the Tourism sector revival (KIPPRA, 2013). The Group of Twenty (also known as the G-20) an international forum for the governments and central bank governors from 20 major economies, has identified Tourism as one of the sectors that can spur the global economic recovery (WTO, 2012).

The tourism state corporations capability is therefore critical in improving the industry performance. The drivers that are involved in the translation of business strategies into deliverable results in the State Corporations are of concern with the mediating role of strategy implementation in order to maximize organizational performance (Miriam & Wario, 2014).

Kiprutto, Kigio and Riungu, (2011) conducted a study on adoption of technology. The study focused on technology as the only driver of performance. O'Reilly, Caldwell, Chatman, Lapiz and Self (2010) did a study on the effects of leaders' alignment on strategy implementation. The study was conducted in the context of health care organization physicians. Shafie, Baghersalimi and Barghi (2013) investigated the relationship between leadership style and performance in the Real Estate Registration in Tehran province. The study was conducted in a developed economy thus presenting a contextual gap. Zakaria and Taiwo (2013) did a study on the effect of team leader skills and competencies team based on the assumption that leadership skills do affect team performance. This study focused on leadership as the only driver of performance. It also presents a contextual gap since it was conducted in Universiti Teknologi Petronas (UTP). From the above studies, it is evident that there is no study which has been conducted on test organizational leadership driver on performance of the tourism state owned corporations in Kenya. The mediating Role of Strategy Implementation. Thus this study was conducted to bridge the research gap.

1.3 Study Objectives

- i. To determine how organizational leadership driver affect performance of the Tourism state owned corporations in Kenya.

1.4 Research Hypotheses

H₀₁: Organizational Leadership driver does not have an effect on performance of the Tourism state owned corporations in Kenya.

2.0 LITERATURE REVIEW

2.1 THEORETICAL REVIEW

2.2.1 The Resource-Based View

Researchers such as Ansoff (1965) and Chandler (1962) made important contributions towards developing the Resource-Based View of strategy (Hoskisson *et al*, 2009). From the 1980s onwards, according to Furrer *et al*, (2008), the focus of inquiry changed from the structure of the industry, like Structure-Conduct-Performance (SCP) paradigm and the five forces model to the firm's internal structure, with resources and capabilities (the key elements of the Resource-Based View (RBV). The resource-based view of the firm (RBV) draws attention to the firm's internal

environment as a driver for competitive advantage and emphasizes the resources that firms have developed to compete in the environment. During the early strategy development phase of Hoskisson's account of the development of strategic thinking (Hoskisson *et al.*, 2009), the focus was on the internal factors of the firm. Since then, the resource-based view of strategy (RBV) has emerged as a popular theory of competitive advantage (Furrer *et al.* 2008; Hoskisson *et al.*, 2009).

The term 'resource-based view' was coined much later by Wernerfelt (2004), who viewed the firm as a bundle of assets or resources which are tied semi-permanently to the firm. Barney (2008) also argued that the resources of a firm are its primary source of competitive advantage.

Early researchers simply classified firms' resources into three categories: physical, monetary, and human. These evolved into more detailed descriptions of organizational resources (skills and knowledge) and technology (technical know-how). Barney (2008) suggested that other than the general resources of a firm, there are additional resources, such as physical capital resources, human capital resource and organizational capital resources. Later, Barney and Wright (2008) add human resource management-related resources to this list of additional resources of a firm.

These resources can be tangible or intangible (Ray *et al.*, 2004). Wernerfelt (2004) also discussed that resources might be tied semi-permanently to the firm. Barney (2008) drew attention to 'all assets, capabilities, organizational processes, firm attributes, information, knowledge etc., controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness'. Ultimately, firms that are able to leverage resources to implement a 'value creating strategy not simultaneously being implemented by any current or potential competitor' (Barney 2008) can achieve competitive advantage.

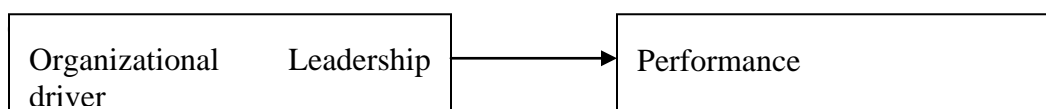
Researchers subscribing to the RBV argue that only strategically important and useful resources, competencies and capabilities should be viewed as sources of competitive advantage (Barney, 2008). Terms like core competencies, distinctive competencies and strategic assets indicate the strategically important resources and competencies, which provide a firm with a potential competitive edge. Strategic assets are, 'the set of difficult to trade and imitate, scarce, appropriable and specialized resources and capabilities that bestow the firm's competitive advantage'. Powell (2011) suggested that business strategy can be viewed as a tool to manipulate such resources to create competitive advantage. Core competencies are distinctive, rare, valuable firm-level resources that competitors are unable to imitate, substitute or reproduce (Barney, 2008).

Distinctive competencies refer to all the things that make the business a success in the marketplace. Wang (2004) outline an approach to firm-level analysis that requires stocktaking of a firm's internal assets and capabilities. The assets in question could be physical assets, knowledge assets (intellectual capital) as well as human resources, which in turn determine the capabilities of a firm in the long run. Maier and Remus (2002) use the term 'resource strategy' and define three steps in a firm's resource strategy - competence creation, competence realization and competence transaction. Competence creation defines and analyses the markets, product and service. Competence realization involves the execution of services, procurement, and

production. Competence transaction involves market logistics, order fulfillment and maintenance (Maier & Remus, 2002). The above issues therefore motivate the study hypothesis. The Tourism state corporations should therefore be bestowed with enough resources and capabilities for effective performance. This theory is relevant to this study since it informs the independent variables (Strategic Management Drivers).

2.3 Conceptual Framework

Figure 1: Conceptual Framework



2.3.1 Organizational Leadership Driver

Organizational Leadership Drivers are expected to have a positive effect on performance of organizations (Waititu 2014; Covey 2004; Jeremy *et al.* 2011 and Taffinder 2006). Waititu (2014) defines leadership as the ability to persuade others to willingly behave differently. To achieve this, leaders play two main roles: they must achieve the task, and must maintain effective relationships between themselves and the group and individuals in it. Taffinder (2006) viewed leadership as getting people to do things they have never thought of doing, do not believe are possible or that they do not want to do. Thus, it is the action of committing employees to contribute their best to the purpose of the organization

2.4 Empirical Review

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs, set goals and objectives (Eid, 2011). In today's economy, it's critical for an organization to get the most productivity from every employee. For an organization to perform well against the preset standards, they must be certain that everyone performs to the best of their ability and delivers significant value to the organization (Drath, 2001).

According to Scholz (2011) in study, Development of Tourism Clusters, conducted in Chile highlights challenges hindering development of tourism businesses. These include: problem of language barriers; lack of financial resources/access to loans; seasonality of tourism; precarious roads; low cooperation between tourism actors; lack of business skills/experience; lack of promotion of the region on national and international level; unskilled and inexperienced staff; problems to book in advance from outside; and lack of information on what tourists prefer. In the study, Chile is also experiencing the foreigners dominating the industry. It concludes this can be overcome through cooperation and training to the local actors.

3.0 METHODOLOGY

The study employed descriptive and cross-sectional research designs. The target population comprised all the Tourism state owned corporations in Kenya with the management of these firms being the respondents. A census study was carried out due to small nature of the target population. Data collection involved the use of questionnaires which attracted both quantitative and qualitative responses. The questionnaires were administered through drop and pick method. The respondents were all the Chairmen, CEO, managers and assistant managers of all Tourism state corporations in Kenya. These data was analyzed using content analysis for qualitative data. The quantitative data was analyzed using regression analysis. ANOVA test was carried out to test the significance of the model.

4.0 RESULTS FINDINGS

4.1 Effect of Organizational leadership Driver on Performance

The fourth objective of the study was to establish the effect of organizational leadership driver on performance in the Tourism state corporations in Kenya. The respondents were asked to indicate whether their organizations give room for contingent rewards to its employees. The results indicated that majority of the respondents, 75%, agreed that their organizations give room for contingent rewards to its employees. 25% of the respondents indicated that their organizations don't give room for contingent rewards to its employees. The results are presented in Figure 2 below.

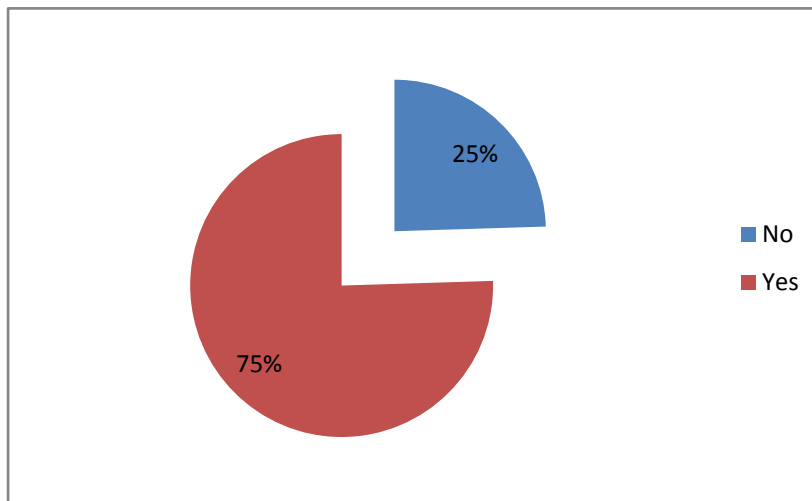


Fig 2: Organizations giving room for contingent rewards

The findings are consistent with the findings of Voon, Lo, Ngui and Ayob (2011) which stated that contingent reward dimension of transactional leadership has significant relationship with two dimensions in job satisfaction (working condition and work assignment). They are also consistent with Shafie, Baghersalimi and Barghi (2013) who established that that development-

oriented and pragmatic- oriented leadership style has a positive impact on employee performance.

The results imply that majority of the state owned Tourism corporations in Kenya give room for contingent rewards to its employees. Giving room for contingent rewards to employees is associated with having an influence on performance of tourism state corporations in Kenya.

4.1.1 Attributes of Organizational leadership driver

The respondents were also asked to rate the effect of various attributes of organizational leadership driver on performance of the organization. The rating was on a five point likert scale of 1 to 5 ranging from not at all to very great extent. The results in Table 4.32 indicates that 55.9%, 57.8%,49.0%,59.8% and 65.7% of the respondents indicated that Individual characteristics, Idealized influence, Inspirational motivation, Intellectual stimulation and command and Control affects performance of the organization to a great extent. The results are presented in Table 1 below.

Table 1:Attributes of Organizational Leadership Driver

	Not at all	Little extent	Moderate extent	Great extent	Very great extent	Mean	Std Dev
Individual characteristics	7.80%	22.50%	13.70%	16.70%	39.20%	3.57	1.40
Idealized influence	14.70%	13.70%	13.70%	23.50%	34.30%	3.49	1.45
Inspirational motivation	19.60%	17.60%	13.70%	26.50%	22.50%	3.15	1.46
Intellectual stimulation	9.80%	15.70%	14.70%	28.40%	31.40%	3.56	1.34
Command and Control	13.70%	5.90%	14.70%	35.30%	30.40%	3.63	1.34
Reward culture	11.80%	14.70%	18.60%	31.40%	23.50%	3.40	1.31
Duration taken in solving problems	7.80%	5.90%	21.60%	26.50%	38.20%	3.81	1.23
Average						3.52	1.36

The findings of the study are consistent with the argument by Michael (2011) who indicated that leadership has a direct cause and effect relationship upon organizations and their success. The results are also consistent with the results of a study by Khan, Hafeez, Rizvi, Hasnain and Mariam (2012) which showed that transformational leadership style has a positive relationship with job satisfaction. However, the study by Khan, Hafeez, Rizvi, Hasnain and Mariam (2012) indicated that even though leadership style positively impacted on organization performance, the presence of the organization's commitment boosted the relationship. The findings are also

consistent to some extent with the findings of a study by Koech and Namusonge (2012) who established a positive relationship between transformational-leadership factors and organizational performance but insignificant relationship between laissez-faire leadership style and organizational performance.

The study findings imply that majority of tourism state corporations practice individual characteristics attribute of organizational leadership driver. Further implications is that idealized influence, inspirational motivation, intellectual stimulation, command and Control, reward culture and duration taken in solving problems are practiced by majority of tourism state corporations in Kenya. Generally, organizational leadership capability is a key factor in tourism state corporations in Kenya.

4.1.2 Qualitative analysis for Organizational Leadership Driver

The respondents were asked to explain how the contingent rewards practices affect the organization profitability. The results indicate that organizations performance is influenced by consistency in production line. Furthermore, effectiveness in performance of duties, invoking the spirit of hard work and building trust and confidence in employees were also indicated to have an influence on performance of tourism state corporations in Kenya. The results are presented in Table 2 below.

Table 2: Qualitative Analysis for Organizational Leadership Driver

Main Theme	Percentage number of Mentions
Consistency in production line	12%
Effectiveness in performance of duties	12%
Invoking the spirit of hard work	67%
Building trust and confidence in employee	9%

The findings are consistent with Achoch, Gakure and Waititu (2014) who indicated that effective public sector management reforms always depended to some degree on leadership behaviors, and that leaders with transformative characteristics get their followers to perform above and beyond expectations and express high performance expectations. Leaders who exhibit transformational qualities had a positive effect on employee commitment and organizational citizenship behavior. Transformational leadership qualities involve invoking the spirit of hard work and building trust and confidence in employees. The study findings are further consistent with O'Reilly, Caldwell, Chatman, Lapid and Self (2010) who agree that leader behavior influences group and organizational behavior.

The findings imply that tourism state corporations practice consistency in production line as was confirmed with the qualitative results. The study further implied that there was effectiveness in performance of duties, the practice of invoking the spirit of hard work and the practice of building trust and confidence in employees among tourism state corporations in Kenya. This generally implied that organizational leadership driver was present in tourism state corporations and they have an influence on performance.

4.2 Correlation analysis for attributes of Organizational Leadership driver

The association of the attributes of organizational leadership driver and organization performance was also established. The results indicated that all the attributes of organizational leadership driver were positively associated with organization performance. The association between Individual characteristics, Idealized influence, Intellectual stimulation, Command and Control, Duration taken in solving problems and organization performance was found to be significant though weak with Pearson coefficients of 0.212, 0.287, 0.405, 0.236 and 0.244 respectively. The results are indicated in Table 4.34 below.

Table 3 Correlation analysis for organizational Leadership driver

		Individual characteristics	Idealized influence	Inspirational motivation	Intellectual stimulation	Command	Reward culture	Duration	Performance
Individual characteristics	R	1.00	(0.18)	-.206*	0.01	.250*	0.07	.239*	.212*
	Sig.		0.07	0.04	0.89	0.01	0.46	0.02	0.03
Idealized influence	R	(0.18)	1.00	0.14	0.03	(0.06)	0.15	0.06	.287**
	Sig	0.07		0.17	0.80	0.53	0.13	0.53	0.00
Inspirational motivation	R	-.206*	0.14	1.00	.267**	(0.10)	(0.01)	0.19	0.13
	Sig	0.04	0.17		0.01	0.30	0.96	0.05	0.20
Intellectual stimulation	R	0.01	0.03	.267**	1.00	0.06	(0.01)	0.11	.405**
	Sig	0.89	0.80	0.01		0.54	0.96	0.29	-
Command	R	.250*	(0.06)	(0.10)	0.06	1.00	0.05	0.03	.236*
	Sig	0.01	0.53	0.30	0.54		0.64	0.77	0.02
Reward culture	R	0.07	0.15	(0.01)	(0.01)	0.05	1.00	.218*	0.15

	Sig	0.46	0.13	0.96	0.96	0.64		0.03	0.13
Duration	R	.239*	0.06	0.19	0.11	0.03	.218*	1.00	.244*
	Sig	0.02	0.53	0.05	0.29	0.77	0.03		0.01
Performance	R	.212*	.287**	0.13	.405**	.236*	0.15	.244*	1.00
	Sig	0.03	0.00	0.20	-	0.02	0.13	0.01	

The study findings are consistent with the findings from studies by Javidan and House (2001) and Walumbwa, Mayer, Wang, Workman and Christensen (2011). The findings further confirmed the findings of a study by Sabir, Iqbal, Rehman, Shah and Yameen (2012) who indicated that organizational leadership proved a photogenic effect and augment the overall productivity of the employees.

The study findings imply that individual characteristics influences performance of tourism state corporations positively. Furthermore, idealized influence, intellectual stimulation, command and Control and duration taken in solving problems influences the performance of tourism state corporations positively. Organizational leadership driver influences the performance of tourism state corporations positively.

4.2.1. Relationship between organizational leadership driver and performance in the Tourism state corporations in Kenya

The study sought to establish the relationship between organizational leadership driver and performance in the Tourism state corporations in Kenya. To do this, the study used an Ordinary least square regression model. The results for model summary are presented in Table 4.35 below.

Table 4 Model Summary – Organizational leadership driver and performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.599a	0.359	0.311	0.3259

The results in Table 4.35 indicated that all the attributes of organizational leadership driver combined were positively associated with performance as indicated by a correlation coefficient of 0.599. The results further indicated that organizational leadership driver explains 35.9% of the changes in performance as indicated by an R-square of 0.359. 64.1 percent of variation in performance was not explained by Organizational leadership driver which is due to other factors not included in the study. Furthermore, the study conducted analysis of variance and the results are presented in Table 4.36 below.

Table 5 ANOVA – Organizational Leadership Driver and Performance

	Sum of Squares	df	Mean Square	F	Sig.
--	----------------	----	-------------	---	------

Regression	5.585	7	0.798	7.512	.000b
Residual	9.984	94	0.106		
Total	15.569	101			

Results in Table 6 Indicate that the model fit well. This is supported by an F statistic of 7.512 which is significant at 5% level of significance.

Table 6 Regression coefficients – Organizational Leadership Driver and Performance

Performance	B	Std. Error	t	Sig.
(Constant)	2.202	0.194	11.341	0.000
Individual characteristics	0.053	0.026	2.059	0.042
Idealized influence	0.082	0.023	3.534	0.001
Inspirational motivation	0.007	0.024	0.28	0.780
Intellectual stimulation	0.107	0.025	4.221	0.000
Command and Control	0.053	0.025	2.117	0.037
Reward culture	0.018	0.026	0.702	0.485
Duration taken in solving problems	0.038	0.029	1.308	0.194

Further results in Table 7 indicated that having leaders with individual characteristics, idealized influence, intellectual stimulation and practicing command and control is positively related to performance of tourism organizations as indicated by coefficients of 0.053, 0.082, 0.107 and 0.053 respectively. The relationship between these attributes of organizational leadership driver and performance was also found to be significant at 5% level of significance as indicated by their respective P-values of 0.042, 0.001, 0.000 and 0.037.

The findings of the study are also consistent with findings of a study by Achoch, Gakure and Waititu (2014) which found that leadership is important in terms of both perceptions of leader effectiveness and follower satisfaction. The findings of the study are also consistent with findings of a study by Walumbwa, Mayer, Wang, Wang, Workman and Christensen (2011) which revealed that ethical leadership was positively and significantly related to employee performance. The findings are also consistent with findings of a study by Shafie, Baghersalimi and Barghi (2013) which indicated that development-oriented and pragmatic- oriented leadership style has a positive impact on employee performance. Transformational leadership style had a higher association with performance. The implication of the study findings is that, individual characteristics influences performance of tourism state corporations. A unit increase in adoption of individual characteristics by leaders in the tourism state corporations leads to an improvement in performance by 0.053 units. Further findings imply that other attributes of organizational leadership driver also influence performance of tourism state corporations. A unit increase in adoption of idealized influence, intellectual stimulation and practice of command and control by the leaders and management of the tourism state corporations, results to an improvement in performance by 0.082, 0.107 and 0.053 units respectively.

4.2.3 Hypothesis Testing

The study sought to test the hypothesis that Organizational leadership driver does not have an effect on performance in the Tourism state corporations in Kenya. The hypothesis was tested by running an ordinary least square regression model. The results for model summary are presented in Table 7 below.

Table 7 Model Summary – Organizational leadership driver Hypothesis testing

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.540a	0.291	0.284	0.33217

The results in Table 8 indicated that organizational leadership driver was positively correlated to organization performance (R=0.540). Organizational leadership driver explains 29.1% of the changes in performance of the organizations. 69.9 percent of variation in performance was not explained by Organizational leadership driver which is due to other factors not included in the study.

Table 9 ANOVA – Organizational leadership driver hypothesis testing

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.540a	0.291	0.284	0.33217

Results in Table 9 indicate that the model for the relationship between organizational leadership driver and organization performance fit well.

Table 4.40 Regression coefficients – Organizational leadership driver hypothesis testing

Performance	B	Std. Error	T	Sig.
(Constant)	2.231	0.197	11.327	0
Organizational Leadership driver	0.354	0.055	6.411	0

The acceptance/rejection criteria was that, if the p value is greater than 0.05, the Ho was not rejected but if it's less than 0.05, the Ho was rejected. All the attributes of information technology driver were combined into one variable by the mean and then regressed against performance. The significance of the coefficient was used to test the hypothesis. The null hypothesis for the fourth objective was: Organizational leadership driver does not have an effect on performance in the Tourism state corporations in Kenya. The alternative hypothesis for the fourth objective was: Organizational leadership driver has an effect on performance in the Tourism state corporations in Kenya.

These findings are consistent with Zakaria and Taiwo (2013) whose outcomes was that team leaders' human skills and team self evaluation significantly influence the effective performance of the team. Also, team self evaluation have a direct effect on technical skills. They are also consistent with Moore and Rudd (2011) whose findings identified six major leadership skill areas needed by extension leaders: human, conceptual, technical, communication, emotional intelligence, and industry knowledge skills.

The coefficient for organizational leadership driver was significant at 5% level of significance as indicated in Table 4.40 which indicates that the null hypothesis was rejected and hence the study

established that organizational leadership driver has an effect on performance in the Tourism state corporations in Kenya.

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Organizational Leadership Driver

The fourth objective of the study was to ascertain how organizational leadership driver affects performance in the Tourism state corporations in Kenya. The results showed that most organizations give room for contingent rewards to its employees. Further results indicated that individual characteristics, Idealized influence, Inspirational motivation, Intellectual stimulation and command and Control affect performance of the organization to a great extent. The results also showed that individualized influence, intellectual stimulation and practicing command and control are positively and significantly related to performance of tourism organizations. The regression results indicated that organizational leadership driver was positively correlated to organization performance and it explains 29.1% of the changes in performance of the organizations. Organizational leadership driver was established to have a positive and significant effect on performance in the Tourism state corporations in Kenya.

5.2 Conclusions

Based on the findings, the study also concluded that most organizations give room for contingent rewards to their employees. Individual characteristics, Idealized influence, Inspirational motivation, Intellectual stimulation and command and Control affect performance of tourism corporations in Kenya to a great extent. The study also concluded that individualized influence, intellectual stimulation and practicing command and control are positively and significantly related to performance of tourism corporations in Kenya. The study also concluded that organizational leadership driver has a positive and significant effect on performance in the Tourism state corporations in Kenya.

5.3 Contribution of the Study to Theory/Existing Knowledge

The study made various contributions to theory building. First, the study developed a conceptual framework for underpinning future research work on the effect of performance drivers and the mediating role of strategy implementation in the Tourism State Corporations in Kenya. The study successfully tested hypothesis related to the original conceptual framework developed in chapter two. Based on research findings, it was found that future conceptual frameworks and theories should focus on particular aspects of performance drivers. The study also made a contribution as far as ordering and prioritizations of performance drivers is concerned. The study noted that information Technology driver and organizational leadership driver were the most significant performance drivers. This serves to strengthen the existing theories.

5.4 Recommendations of the Study

5.5.4 Organizational leadership driver

The study recommended that Tourism state corporations in Kenya should have measures to adopt Individual characteristics, Idealized influence, Inspirational motivation, Intellectual stimulation among their leaders and command and Control.

5.5 Suggested Areas for Further Study

Further studies can be done to ascertain the effect of strategic management drivers and the mediating role of strategy implementation in other state corporations in Kenya other than the tourism sector.

REFERENCES

- Achoch, E.A., Gakure, R.W., & Waititu, G.A. (2014). Influence of leadership style on transformation of public service reform initiatives in Kenya. *Prime Journal of Business Administration and Management (BAM)*, 4(2), 1389 – 1396.
- Adegbola, A. O. (2010). *Customer satisfaction in public bus transport. A study of travelers' perception in Indonesia.*
- Andersen, T. J. (2000). *Strategic planning, autonomous actions and corporate performance.* Long Range Planning, Vol. 33, (2), p. 184-200
- Ang, J.S. and J.H. Chua (1979). Long-range planning in Large United States Corporations. Long Range Planning, 1 (12) 99-102.
- Ansoff, H.I. (1991). Critique of Henry Mintzberg's "The design school" Reconsidering the basic premises of strategic management. *Strategic Management Journal*, 1 (12) 449-461.
- Avison, D, Jones, J., Powell, P. & Wilson, D. (2004). Using and validating the strategic alignment model. *Journal of Strategic Information Systems*, (13) 223-246.

- Babbie, E. (2004). Laud Humphreys and research ethics. *International Journal of Sociology and social Policy*, 24(3/4/5), 12-19.
- Bailey, R.A. (2008). *Design of two- phase experiments*. DEMA, Isaac Newton Institute Hall.
- Balogun, J. and H. Hailey, V. (2004). *Exploring strategic change*, 2nd ed. London: Prentice Hall.
- Barney, J. (2008). 'Firm resources and sustained competitive advantage'. *Journal of Management*, 17, (1), 99-120.
- Bilger, W. R. (2001). The new science of strategy execution: How incumbent becomes fats, sleek, wealth creators. *Strategy & Leadership* 29(3), 29-34.
- Bimber, B. (1998). *Three faces of technological determinism*. In Smith, M. and Marx, L., editors, Does Technology Drive History? *The Dilemma of Technological Determinism*, 79–100.
- Birley, S. and Westhead P., (2010), Growth and Performance Contrast between Types of small Firms. *Strategic Management Journal* 11, pp. 535-557
- Brealey, R.A., & Myers, S. (2008). Principles of Corporate Finance, *American Economic Review Journal*, 78-90.

- Burnes, B. (2004). *Managing change*. A strategic approach to organizational dynamics, 4th ed. Harlow: Prentice Hall) MIT Press, Cambridge, MA.
- Castillo, J. J. (2009). *Convenience sampling*. Available online at <http://www.experiment-resources.com/convenience-sampling.html> retrieved on 13 September 2011.
- Cellars, T. (2007). “*Change management models. A Look at McKinsey's 7 - S Model, Lewin's Change Management Model and Kotter's Eight Step Change Model,*” Published on internet by Associated content on May 10, 2007.
- Cha, S. E., & Edmondson, A. C. (2011). When values backfire: Leadership, attribution, and disenchantment in a values-driven organization. *Leadership Quarterly*, 17, (1) 57–78.
- Chaston, I. Badger, B. Mangles, T. and Sadler-Smith, E. (2002). Knowledge-based services and the internet, an investigation of small UK accountancy practices. *Journal of Small Business and Enterprise Development*, 9, (1), 49-60.
- Chen, J. & Popowich, K. (2003). Understanding Customer Relationship Management (CRM): People, Process and Technology. *Business Process Management Journal*. 9(5), 672-688.
- Cooper, R. D., & Schindler, P.S. (2008). *Business research methods*, 10th ed. McGraw Hill, New York, USA.

Creswell, J.W. (2003). *Research design. Qualitative, quantitative, mixed methods approaches.* (2nd ed.). London: Sage Publications.

Dong H. P. (2010). The Relationship between Working Capital Management and Profitability. *International Research Journal of Finance and Economic.* Issue-49. www.eurojournals.com/irjfe_49_05.pdf

Doyle, M. (2002). 'From change novice to change expert: Issues of learning, development and support'. *Personnel Review*, 31(4), 465– 481.

Edmonstone, J. (2005). 'Managing change: An emerging consensus'. *Health Manpower Management*, 21(1), 16 –19.

Egelhoff, W. G. (2003). Great strategy or great implementation- Two ways of competing in global markets. *Sloan Management Review*, 34(2) 37-50.

Eid, M. I. (2011). Determinants of E-commerce customer satisfaction, trust, and loyalty in Saudi Arabia. *Journal of Electronic Commerce Research*, 12 (1), 78-93.

Fredrickson, J. W. and T. R. Mitchell (1984). Strategic decision processes: Comprehensiveness and performance in an industry with an unstable environment. *Academy of Management Journal*, 27 (1) 299-332.

- Fwaya, O., Odhuno, E., Kambona, O. & Odhuon, O. (2012). Relationships between drivers and results of performance in the Kenyan Hotel Industry. *Journal of Hospitality Management and Tourism*. 3 (3), 46-54.
- Graetz, F. (2000). 'Strategic change leadership'. *Management Decision*, 38(8), 550–562.
- Grant, R. M. (2006). Prospering in dynamically competitive environment: Organizational capability as knowledge integration. *Organization Science*, 7(4) 375-87.
- Grant, R., (2001). 'The resource-based theory of competitive advantage, implications for strategy formulation'. *California Management Review*, 33 (3), 114-135.
- Haber, S., & Reichel, A. (2005). Identifying performance measures of small ventures-the case of the tourism industry. *Journal of Small Business Management*, 43(3), 257.
- Holloway, S. (2002). *Airlines, managing to make money*. Aldershot: Ashgate.
- Hopkins, W.E and S. Hopkins (1997). Strategic planning-financial performance relationships in banks. A causal examination. *Strategic Management Journal*, 18(8), 635-652.
- Hutzschenreuter, T. & Kleindienst, I. (2006). Strategy –process research: What have we learned and what is still to be explored. *Journal of Management*, 32(5), 673-720.

Jacobs, A. (2001). *Financial Management IV (FMA 401-V): Study guide 1*, (3rd ed.). Pretoria: Technikon S.A.

Jagoda, K. (2010). The use of electronic commerce by SMEs. *Entrepreneurial Practice Review*, 1(3) 32-47.

Johnson, G., & Scholes, K. (2003). Understanding strategy development. *Strategic leadership and educational improvement*, 142-156.

Jurgen, R. and Tim P (2013). *How to succeed as a tourism destination in a volatile world*. Boaz & Company.

Kanter, R. M., Stein, B. A. and Jick, T. D. (1992). *The challenge of organizational change*. New York: The Free Press.

Kaplan, S. N. (2001). The Evolution of Buyout Pricing and Financial Structure in the 1980s *Quarterly Journal of Economics*, 108(2), 313–57.

Kareithi, (2001). *Coping with declining tourism, examples from communities in Kenya*. Published Phd Research, University of Luton, UK.

Kareithi, (2003). *Coping with declining tourism in Kenya, Examples from communities in Kenya*. Published Phd Research, University of Luton, UK.

Keller, Kevin L. & Dolnald R. L. (2006). Brands and branding: Research findings and future priorities. *Marketing Science*, 25(6) 740-59.

Khan, V., Hafeez, M., Rizvi, S., Hasnain H, & Mariam, A. (2012). Relationship of leadership styles, employees commitment and organization performance: A study on customer support representatives. *European Journal of Economics, Finance and Administrative Sciences*, 49 (1) 133-43.

Kiprutto, N., WambuiKig, F., & KoomeRiungu, G. (2011). Evidence on the adoption of e-tourism technologies in Nairobi. *Global Journal of Business Research*, 5(3), 55-66.

Koech, P.M., & Namusonge, G.S. (2012). *The effect of leadership styles on organizational performance at state corporations in Kenya. International Journal of Business and Commerce*, 2(1), 1-12.

Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.

Kothari, C.R. (2004). *Research methodology methods & techniques 2nd Edition*. New Delhi, India. New Age International (P) Limited.

Kotter, J. P. (1996). *Leading change*. Boston, MA. Harvard Business School Press.

Kuria, K., Wanderi, M. & Ondigi, A. (2012). Factors influencing labour Turnover in three and Five Star-related hotels in Nairobi. Kenya. *International Journal of Humanities and Social Sciences*.1(20), 195-201.

Kyobe, M. (2004). Investigating the strategic utilization of IT resources in the small and medium-sized firms of the Eastern Free State Province. *International Small Business Journal*, 22 (2) 131-158.

Larsen, R. J., Diener, E., Emmons, R. A., & Griffin, S. (2012). The Satisfaction with Life scale. *Journal of Personality Assessment*, 49, 71–75. doi:10.1207/s15327752jpa4901_13

Leary, M.R. (2001). *Introduction to behavioral research methods* (3rd Ed.) Allyn & Bacon, Boston, USA.

Luecke, R. (2003). *Managing change and transition*. Boston, MA: Harvard Business School Press.

Marris, R., Wood A., (1971), *The Corporate Economy*, Harvard University Press, Cambridge, Massachusetts.

Michael A. Jones and Jaebeom S, (2000). Transaction-specific satisfaction and overall satisfaction: an empirical analysis". *Journal of Services Marketing*, 14 (2) 147- 159.

Mintzberg, H. (1987). The strategy concept II. Another look at why organizations need strategies. *California Management Review*, (Fall), 2 (1) 25-31.

Moore, L. L., & Rudd, R.D. (2011). *Leadership* skills and competencies for extension directors and administrators. *Journal of Agricultural Education*, 45(3), 22-33.

Moran, J. W. and Brightman, B. K. (2001). *Leading organizational change. Career Development International*, 6(2), 111 –118.

Muathe S. M. A., Wawire H. Wand Ofafa G. (2010). *Determinants of adoption of ICT by Small and Medium Enterprise (SME) within the health sector in Nairobi, Kenya* unpublished PhD thesis.

Mugenda, O. M. & Mugenda, A. G. (2003). *Research methods: Quantitative and qualitative approaches*. Acts Press, Nairobi-Kenya.

Mutindi, U. J. M., Namusonge, G. S., & Obwogi, J. (2013). Effects of strategic management drivers on organizational performance: a survey of the hotel industry in Kenyan coast.

Narware P.C., 2010. Working Capital Management: The Effect of Market Valuation and Profitability in Malaysia, *International Journal of Business and Management*, vol. 5, issue

Naser, K., & Mokhtar, M. Z. (2004). Firm Performance, Macro- economic Variables and Firm Size, *Journal of Finance*, 543-679.

Neelaveni, V. (2012). organizational performance of Life Insurance Companies and Products. *International Journal of Business Economics & Management Research*, 2 (3), 233-258

Nelson, L. (2003). 'A case study in organizational change: Implications for theory'. *The Learning Organization*, 10(1), 18 –30.

Neuman, W. L. (2009). *Understanding research*. Boston: Allyn& Bacon Inc.

Neuman, W.L. (2000). *Social research methods: Qualitative and quantitative approaches*. Boston: Allyn& Bacon Publishers.

Njiru, (2008). *Role of State Corporation in a developmental State, the Kenyan experience*, 30th AAPAM annual Roundtable conference. Accra, Ghana.

Odhuno, L., Kambona, O., Othuno, E. & Wadongo, B. (2010). Key performance indicators in the Kenyan hospitality industry. A Managerial perspective. Benchmarking. *An International Journal*, 17 (6), 858-875.

Ojokuku, R. M., Odetayo, T. A., & Sajuyigbe, A. S. (2012). Impact of leadership style on organizational performance: a case study of Nigerian banks. *American Journal of Business and Management*, 1(4), 202-207.

Oketch, R., Wadawi, K., Brester, N. & Needetea, A. (2010). The role of hotels in consumption of cultural tourism in Kenya. *Journal of Tourism*. 2 (8), 34-39.

Okeyo, W. (2011). *Impact of company chain management practices in Five Star Hotels*. Nairobi.

Olatokun, W. and Kebonye, M. (2010). E-commerce technology adoption by SMEs in Botswana. *International Journal of Emerging Technologies and Society*, 8, (1) 42-56.

O'Reilly, C.A., Caldwell, D.F., Chatman, J.A., Lapid, M., & Self, W. (2010). How leadership matters, the effects of leaders' alignment on strategy implementation. *The Leadership Quarterly*, 3 (21), 104 –113.

Orlikowski, W.J. (1992). "The duality of technology: rethinking the concept of technology in organizations". *Organization, Science*, 3(3), 398-427.

Orodho A. J, (2003). *Essentials of educational and social science research methods: Qualitative and quantitative approaches*. Nairobi: Acts Press.

Padachi, K. (2010). *Accounting Services Among Manufacturing SMEs: A Neglected Subject*. Retrieved from [http://www.uom.ac.mu/sites/irssm/papers/Padachi%20~% 2045.pdf](http://www.uom.ac.mu/sites/irssm/papers/Padachi%20-%202045.pdf)

Pagon, M., Banutai, E., & Bizjak, U. (2008). *Leadership competencies for successful change management: A Preliminary Study Report*. University of Maribor, Slovenia.

Pearce, J.A., Robbins, D. K. and Robinson, R. B. (2011).The impact of grand strategy and planning formality on financial performance.*Strategic Management Journal*, 8(2), 125-134.

Penrose, E. T. (1959). The theory of the growth of the firm.*New York: Sharpe*.

Pervan, M. & Visic, J. (2012). Influence of firm size on its business success: *Croatian Operational Research Review (CRORR)*, 3, 213-216.

Peteraf, M. A. (1993).The cornerstones of competitive advantage: a resource-based view'.
Strategic Management Journal, 14(3) 179-192.

Porter, M. E. (2004). 'What is strategy?'*Harvard Business Review*, 74(6) 61-78.

Prahalad, C. K. & Hamel, G. (1990). 'The core competence of the corporation'.*Harvard Business Review*, 68 (3), 79-91.

Prosci I. (2006). *Why use change management?* Retrieved from Change Management Learning Centre: http://www.change-management.com/tutorial-2007_prep-why-CM.htm.

Pryor, M. G. Donna A, Leslie A. T. & John H. H. (2007). Strategy implementation as a core competency. *Journal of Management Research* 09725814, 7(1), 3-17.

Ragui, M. (2013). Challenges hindering success of tour businesses owned by indigenous entrepreneurs in the tourism industry in Kenya. *Prime Journal of Social Science* 03/2013; 2 (2), 227-236.

Raheman A., Talat.A, Qayyum A. and Mohmood A.B. (2010). Working Capital Management and Corporate Performance of Manufacturing Sector in Pakistan, *International Research Journal of Finance and Economics*, Issue-47,

Ramos-Rodríguez, A. R. & Ruíz-Navarro, J. (2004). 'Changes in the intellectual structure of strategic management research. *A Bibliometric Study of the Strategic Management Journal*, 1980– 2000', 25(10), 981-1004.

Rayan K, (2008). Financial leverage and firm value, Gordon Institute of Business Science, University of Protoria

Raymond, L. and Bergeron, F. (2008). Enabling the business strategy of SMEs through E-business capabilities: "A strategic alignment perspective". *Industrial Management & Data Systems*, 108(5), 577-595.

Republic of Kenya, (RoK), (2010). *The tourism bill*, 2010. Nairobi: Government Printer.

Republic of Kenya, (RoK), (2013). *Public policy research and analysis*. Nairobi: Government Printer.

Republic of Kenya, (RoK), (2014). *Economic Survey Report*: Nairobi: Government Printer.

Rieley, J. B. and Clarkson, I. (2001). 'The impact of change on performance'. *Journal of Change Management*, 2(2), 160 –172.

Rowe, A., Smith, J. D., & Borein, F. (2002). *Career award: Travel and tourism*. Cambridge: Cambridge University Press.

Sabir, M.S., Iqbal, J.J., Rehman, K.U., Shah, K.A., Yameen, M. (2012). Impact of corpora ethical values on ethical leadership and employee performance. *International Journal of Business and Social Science*, 3(2), 163-171.

Sato, Y. and Fujita, M. (2009). *Capability matrix a framework for analyzing capabilities in value chains*. IDE Discussion Papers, No. 219, Institute of Developing Economies, Japan.

Saunders, M., Lewis, P. & Thornhill, A. (2009). *Research methods for business students*. 4th ed. London: Prentice Hall.

Scholz, W. (2011). *Development of tourism clusters in Aysén, Patagonia*. Chile.

Scupola, A. (2008). Conceptualizing competences in e-services adoption and assimilation in SMES. *Journal of Electronic Commerce in Organizations*, 6 (2), 78-91.

Senior, B. (2002). *Organisational change*, 2nd ed. London: Prentice Hall.

Shafie, B., Baghersalimi, S., & Barghi, V. (2013). The relationship between leadership style and employee performance: Case study of real estate registration organization of Tehran Province. *Singaporean Journal of Business Economics, And Management Studies*, 2(3), 21-29.

Sindiga, I. (1999). *Tourism and African development: Change and challenge of tourism in Kenya*. Hampshire: Ashgate.

Swink, M., Narasimhan, R., & Wang, C. (2007). Managing beyond the factory walls: effects of four types of strategic integration on manufacturing plant performance. *Journal of Operations Management*, 25(1), 148-164.

United Nations World Tourism Organisation (UNWTO). (2001). *Tourism 2020 Vision – Africa*. Available from: <http://www.world-tourism.org>.

UNWTO, T. O. (2014). *Tourism Highlights*, 2014 edition. *World*.

Uzel, J. (2012). The effect of strategic value-based management on the performance of organizations in Coast Province, Kenya. *International Journal of Business & Social Science*. 3(16), 262-270.

- Variyan, J. and Kraybill D. S., (1994), Managerial Inputs and the Growth of Rural Small Firms, *American Journal of Agricultural Economics* vol. 76, pp. 568-575.
- Veloutsou, C., Gilbert, G.R., Moutinho, L., and Goode, M.M.H. (2005). Measuring transaction-specific satisfaction in services, are the measures transferable across cultures? *European Journal of Marketing*, 39 (5/6), 606-628.
- Voon, M.L., Lo, M.C., Ngui, K.S., & Ayob, N.B. (2011). The influence of leadership styles on employees' job satisfaction in public sector organizations in Malaysia. *International Journal of Business, Management and Social Sciences*, 2(1), 24-32.
- Wadongo, B., Odhuno, E. & Kambona, O. (2010). *Managerial roles and choice of performance measures in the Kenyan Five-Star hotels using a cross-sectional correlation design*. *Managing Leisure*. 15(11), 17-31.
- Walumbwa, F.O., Mayer, D.M., Wang, P., Wang, H., Workman, K., & Christensen, A. L. (2011). Linking ethical leadership to employee performance, the roles of leader-member exchange, self-efficacy, and organizational identification. *Organizational Behavior and Human Decision Processes* 115(2), 204-213.
- Wernerfelt, B. (2004). 'A resource-based view of the firm'. *Strategic Management Journal*, 5(2), 171-180.

Whitehead, D.D. and Gup, B. E. (1985). Bank and thrift probability: does strategic planning really pay off?*Economic Review Federal Reserve Bank of Atlanta*, 70, October, 14-25.

World Bank, (2013), *Kenyan economic update 2013*, Washington: World Bank & International Finance Corporation.

World Economic Forum, (2013).*Travel and tourism competitive report*.

Zablah, A.R., Bellenger, D.N. &Johnsoton, N.J. (2004). An evaluation of divergent perspectives on customer relationship.Towards a common understanding of an emerging phenomenon.*Industrial MarketingManagement*.33(1), 475-548.

Zakaria, N., &Taiwo, A. (2013). The effect of team leader skills and competencies team: A structural equation modelling approach. *Asian Social Science*, 9(7), 151-61.