

# Journal of Human Resource and Leadership (JHRL)

## INFLUENCE OF INSPIRATIONAL MOTIVATION ON THE PERFORMANCE OF COMMERCIAL BANKS IN KENYA

Kennedy O. Nyakomitta, Prof. Gregory S. Namusonge and Prof. Iravo Mike Amuhaya



## INFLUENCE OF INSPIRATIONAL MOTIVATION ON THE PERFORMANCE OF COMMERCIAL BANKS IN KENYA

<sup>1</sup>\*Kennedy O. Nyakomitta

Post Graduate Student: College of Human Resource Development,  
Jomo Kenyatta University of Agriculture and Technology

\*Author's E-mail: [nyakomitta@gmail.com](mailto:nyakomitta@gmail.com)

<sup>2</sup>Prof. Gregory S. Namusonge & <sup>3</sup>Prof. Iravo Mike Amuhaya  
Lecturers, College of Human Resource Development  
Jomo Kenyatta University of Agriculture and Technology

### Abstract

**Purpose:** The purpose of this study was to establish the influence of inspirational motivation on the performance of commercial banks in Kenya.

**Methodology:** The study employed mixed research design, which included both qualitative and quantitative methods. The study target population was all tier 1 commercial banks in Kenya. According to CBK, there are seven tier 1 banks namely; Kenya Commercial Bank, Equity Bank, Cooperative Bank, Standard Chartered Bank, Barclays Bank, Diamond Trust Bank and Commercial Bank of Africa. The choice of tier 1 banks as the unit of observation was justifiable since they contribute to over 50% of all banking employees, and therefore, they form a good ground for random stratification. The study covered a target population of 24,244 employees working in the seven banks. A sample size of 384 was selected from all the seven banks using stratified random sampling. Primary data was collected using well-structured questionnaires. Multiple linear regression model was used to estimate the coefficients using statistical package for the social sciences (SPSS version 23). Descriptive and inferential analyses were used to analyze the data.

**Results:** Based on the findings, the study concluded that inspirational motivation affects the performance of commercial banks in Kenya. This can be explained by the regression results which showed that the effect was positive and also showed the magnitude by which inspirational motivation influenced the performance of commercial banks. The regression results showed that inspirational motivation influenced the performance of banks by 0.779 units.

**Unique contribution to theory, practice and policy:** The study recommended that the banks' leadership should encourage managers and employees to apply behaviors associated with inspirational motivation to improve the performance of the organization. These behaviors include clarity with which they communicate the organization's vision, inspiration motivation and encouraging team spirit. Managers can additionally reinforce inspirational motivation behaviors among their followers because they improve the effectiveness of a leader in realizing better performance results.

**Keywords:** *inspirational motivation, performance, commercial banks in Kenya*

## 1.0 INTRODUCTION

### 1.1 Background of the Study

Leadership drives organization performance (Jestaz, 2014). Deloitte's 2015 Global Human Capital Trends report, one of the largest longitudinal studies of talent, leadership and human resource challenges and readiness around the world, observes that a focus on leadership is the key to building sustainable organization performance. Effective leadership is a consequence of leadership style and behavior that results in the achievement of desired organizational outcomes (Yukl, 2012). Previous leadership research have focused on leadership style as the key to why leaders of some organizations successfully execute strategies that lead to excellent business results while others fail to translate strategic intent into desired outcomes (Lee & Hee, 2016).

The influence of leadership style on organizational performance has been a subject of attention among academics and practitioners in the area of leadership. This interest has been triggered by research studies that have demonstrated that leadership style significantly affects performance in organizations (Jing & Avery, 2016). In understanding the link between leadership and performance, various leadership styles and models have been applied to explain the influence of different leadership behaviors in organizations (Northouse, 2013).

Transformational leadership is one of the leadership styles widely researched on due to its positive link to a wide variety of organization performance outcomes (Ding, Li, Zhang, Sheng, & Wang, 2017). It has been linked to positive changes in followers where the leader motivates, empowers and inspires them to pursue a collective vision and believe in their own potential, causing them to perform beyond their expectations (Northouse, 2013). This type of leadership style enables the organization to remain focused and deliver on its overall vision, mission and performance targets. When a leader applies the behaviors associated with transformational leadership style, they provide clarity of vision and align employee goals, values and priorities to the vision with the aim of boosting their trust and confidence and thus enabling them to increase commitment and performance (Ullah, 2013).

Inspirational Motivation leadership behavior is associated with the leaders' ability to communicate positively regarding the future. The leader is confident that the goals and objectives of the organization will be achieved. The ability to communicate positively about the future encourages, facilitates team spirit and motivates that enables the followers to view the challenges as mere huddles as they work together to achieve the overall objective or goal of the organization (Bass & Bass, 2008). Inspirational Motivation is a component of transformational leadership and is concerned with the leader communicating and expecting high performance and output from their followers. The leaders inspire the followers by motivating them to buy in to the vision of the organization (Lussier & Achua, 2013). Inspirational motivation will be measured by team work, leader's ability to communicate the organizations vision and motivate followers to achieve the vision and job autonomy (Bass, 1985). Teamwork has been empirically found be a measure of inspirational motivation and to have a positive relationship with organizational performance.

In China, a study by Zhang (2015) established that when the leadership behaviors are directed toward the top management as a whole, there is a beneficial impact on their effectiveness. The study noted the need to extend the research on the effect of leadership behaviors on top management teams, to other directions such as the performance.

They observed that the effects of management leadership behaviors are more significant for senior managers, given the direct impact that they have on organizational success. Drawing on the principles of upper echelons theory, the study revealed that transformational leadership that was focused evenly on every senior manager in the top management, increased effectiveness and firm performance.

In Nigeria, a study by Munirat and Nzelibe (2012) established that application of transformational leadership style in management and executive positions facilitates corporate transformation. Results from a banking sector study in Ghana held that a leader's transformational leadership behaviors measured through idealized influence, intellectual stimulation, individualized consideration and inspirational motivation are likely to provide the structure in their followers for learning to take place. The followers, therefore, exert extra effort and engage in learning behaviors, such as seeking help, experimentation, discussion of mistakes and the willingness to take interpersonal risk, which in turn, facilitates performance improvement (Kumako & Asumeng, 2013).

Locally, Bundi, Lewa and Ndwiga (2016) note that transformational leadership practices of the top managers of Kenyan state owned enterprises, influence work stress that could ultimately affect the performance of their organizations. Transformational leadership style has also shown positive performance among school principals (Kaburia, 2013), performance of secondary schools (Muthike, 2014) and universities (Mbithi, K'Obonyo, & Awino, 2014) as well as improving academic staff retention in public universities in Kenya (Ng'ethe, Namusonge, & Iravo, 2012).

## **1.2 Statement of the Problem**

Banking is the focal part of the financial sector in every economy; hence the strength of banking system becomes crucial in ensuring growth as well as favorable economic stability. Banks are the main component of financial services sector in ensuring favorable economic stability and growth (Koch & McDonald, 2013). However, the recent collapse of three commercial banks in Kenya; Chase bank, Dubai bank and Imperial bank shows that there is a leadership gap (CBK, 2016). The collapse can be attributed to managers' poor assessment of bank risks or failure to deal with the risks properly. As such the stockholders, creditors, depositors, and other stakeholders have had to incur huge financial losses following the collapse of the banks. In August 2015, Dubai bank Kenya was placed under receivership by the Central Bank of Kenya (CBK) who then appointed Kenya Deposit Insurance Cooperation (KDIC) as the receiver. As reported by the CBK, the main challenges leading to the collapse of the Dubai bank was capital deficiencies and poor leadership. The bank had been breaching its daily cash reserve ratio (CRR) requirement of 5.25 per cent (CBK, 2016). Furthermore, the bank had failed to honor some of its financial obligations, such as paying off KES 48 million which it owed to the Bank of Africa Kenya.

In October 2015 the CBK put Imperial bank under statutory management. The main reason for receivership of Imperial bank was unsafe and unsound business conditions and poor governance. At the time Imperial bank was taken over by KDIC the bank had about 53,000 customers with deposit estimated at KES 58 billion. On 21 June 2016, NIC Bank was appointed as asset and liabilities consultant for Imperial Bank (in receivership) by the Central Bank of Kenya. The major causes for placement were associated with failure to meet the statutory banking ratios and under-reporting of insider loans. The insider loans stood at KES 13.62 billion compared to the KES 5.72 billion it reported.

The main issue at Chase Bank was management problem. The bank granted large loan amounts to its directors of about KES 13.62 billion in violation of insider lending guidelines.

The collapse of the above mentioned banks is an indication that there is performance problem in the banking sector. As a result of poor performance, the banks are not able to meet their financial obligations, for instance, Chase Bank was unable to payoff KES 48 million which it owed to the Bank of Africa Kenya. Furthermore, failure by the banks to make profit could be linked to poor leadership performance. There is, therefore, need to investigate the role of transformation leadership on the performance of banks.

Several studies have been conducted relating to transformational leadership style. Kimeto (2017) study sought to establish the influence of inspirational motivation and intellectual stimulation on organizational commitment in commercial banks in Kenya. The study findings indicated that inspirational motivation significantly predicted organizational commitment. Nyokabi (2017) sought to determine the effect of inspirational motivation of the Chief Executive Officer (CEO) on the performance of senior managers in the private sector in Kenya. The study findings revealed that the CEO's inspiration motivation significantly predicted performance of senior managers. Most of these studies reviewed above did not focus on the role of transformation leadership and particularly, inspirational motivation in influencing the performance of tier 1 commercial banks in Kenya. It is on this premise that the current study sought to fill this research gap by determining the role of inspirational motivation on the performance of commercial banks in Kenya.

### **1.3 Specific Objective**

To establish the influence of inspirational motivation on the performance of commercial banks in Kenya

### **1.4 Research Hypothesis**

H<sub>01</sub>: Inspirational Motivation does not have a significant influence on the performance of commercial banks in Kenya

## **2.0 LITERATURE REVIEW**

### **2.1 Theoretical Review**

#### **2.1.1 Hierarchy of Needs Theory**

This theory was developed by Abram Maslow, (1954). The theory holds that if people grew in an environment in which their needs are not met, they will be unlikely to function as healthy individuals or well-adjusted individuals. Specifically Maslow theorized that people have five types of needs and that these needs are activated in a hierarchical manner. This means that these needs are stimulated in a specific order from lowest to highest, such that the lowest-order need must be fulfilled before the next order need is triggered and the process continues.

According to Maslow, employers need to know where an individual staff is on the hierarchical pyramid in order to motivate him/her. This means that they need to focus on meeting that individual employee's needs at that level, adapted by (Robbins, 2001). The five types of needs identified include: Physiological needs which are the needs at the bottom of the triangle and include the lowest order need and most basic; security and safety needs; social needs; esteem needs and self-actualization needs.

The hierarchy of needs theory is relevant to the current study since it links motivation to performance. When employees are motivated, then they are likely to be more productive and hence increase firm performance. Therefore, the theory of hierarchy of needs advances inspirational motivation, which is the independent variable in the current study.

### **2.1.2 Shareholders' Wealth Maximization Theory**

Shareholders' wealth maximization theory defines the primary duty of organizations' managers as the maximization of shareholder wealth (Jensen, 2004). The theory enjoys widespread support in the academic finance community and is a fundamental building block of corporate financial theory. The shareholder value maximization hypothesis predicts that a firm will engage in risk management policies if, and only if, they enhance the firm's value and thus its shareholders' value. This goal is credit with the advantages that it considers all direct stakeholders of the firm, it is a long term objective and considers all the cash flows and also that it considers uncertainty of returns since discounting rate can be adjusted according to the riskiness of the project.

However, the Shareholder model has been criticized for encouraging short-term managerial thinking and condoning unethical behavior. Smith (2003), notes that critics believe Shareholder Theory is "... geared towards short-term profit maximization at the expense of the long run." Further, he asserts that Shareholder Theory "involves using the prima facie rights claims of one group shareholders to excuse violating the rights of others." However, Jensen (2004), argue out that such critics are misguided because wealth maximization is inherently a long term goal, the firm must maximize the value of all future cash flows and does not condone the exploitation of other stakeholders. The criticisms are understandable because many proponents of Shareholder Theory, in a stylized version of the model, exhort managers to maximize the firm's current stock price.

The theory is relevant to the current study since it explains the primary role of managers in an organization. The management of an organization plays a significant role in ensuring that the expectations of the shareholders are met. One of the key expectations of the shareholders is to have their wealth maximized. However, it is not possible for managers to achieve the goal of wealth maximization while still holding on to inefficient leadership practices. There is, therefore, need for managers to embrace transformational leadership styles, if they are to achieve the goal of maximizing the shareholders' wealth. The theory, therefore, advances the dependent variable in this study, which is performance of commercial banks in Kenya.

### **2.2 Empirical Review**

Kimeto (2017) study sought to establish the influence of inspirational motivation and intellectual stimulation on organizational commitment in commercial banks in Kenya. The study adopted the positivist research philosophy and descriptive correlational design. A sample of 150 was drawn from a population of 240 senior managers of the 40 commercial banks of Kenya using stratified random sampling technique.

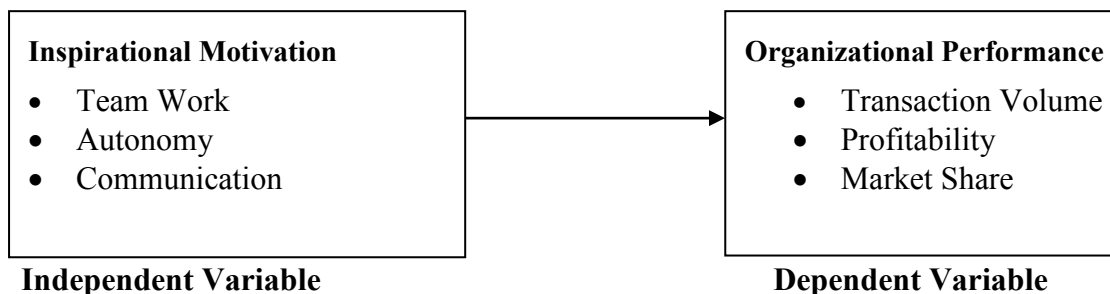
Data was analyzed using inferential statistics such as Pearson correlations, Chi Square, ANOVA and multiple linear regressions. The study findings indicated that inspirational motivation and intellectual stimulation significantly predicted organizational commitment. The study recommended the need for policy development initiatives aimed at improving employee commitment and performance in the banking industry in Kenya. The study presented a conceptual gap since it focused on organizational commitment whereas the current study focused on organizational performance.

Ansar, Aziz, Majeed and Rassol (2016) investigated the impact of charismatic leadership style on organizational effectiveness. The study targeted 100 employees from the telecommunication industry in Pakistan. The study made use of quantitative research method. Data was collected using questionnaire. Analysis of the data indicated that charismatic leaders motivated their employees and as a result enhanced employee commitment to the organizational goals.

Further analysis indicated that charismatic leaders were able to identify skills and abilities that their employees had and used this to match the skills and abilities with organizational tasks. This resulted to employee's improved productivity increasing as well as commitment to the assigned tasks increased. The study, therefore, concluded by asserting that charismatic leaders enhance organizational effectiveness and positive organizational outcomes such as organizational commitment.

Burns (2008) authoritatively pointed out that leadership cannot be considered transformational in the minimal or absence of productive interactions and pulling together. He went further to emphasize that, for progressive change to be realized, there must be more than average productive interdependencies. This is significant because leadership that is regarded as transformational has no choice, but to bring out the best in employees within the context of teams. It is because of this, that transformational leaders are inundated with the responsibility of entrenching value-based collaboration as a key attribute of the organizational culture. Leaders, who are transformational, give priority to both personal and team development as a foundational prerequisite for excellent organizational performance.

### 2.3 Conceptual Framework



**Figure 1: Conceptual Framework**

### 3.0 RESEARCH METHODOLOGY

The study employed mixed research design, which included both qualitative and quantitative methods. The study target population was all tier 1 commercial banks in Kenya. According to CBK, there are seven tier 1 banks namely; Kenya Commercial Bank, Equity Bank, Cooperative Bank, Standard Chartered Bank, Barclays Bank, Diamond Trust Bank and Commercial Bank of Africa.

The choice of tier 1 banks as the unit of observation was justifiable since they contribute to over 50% of all banking employees, and therefore, they form a good ground for random stratification. The study covered a target population of 24,244 employees working in the seven banks. A sample size of 384 was selected from all the seven banks using stratified random sampling. Primary data was collected using well-structured questionnaires.

Multiple linear regression model was used to estimate the coefficients using statistical package for the social sciences (SPSS version 23). Descriptive and inferential analyses were used to analyze the data.

## 4.0 RESEARCH FINDINGS AND DISCUSSION

### 4.1 Demographic Characteristics

#### 4.1.1 Gender of Respondents

The respondents were asked to indicate their gender. Results in Table 1 reveal that majority of the respondents (51%) were male while 49% were female. The ratio of male to female employees in the banking industry is almost equal. This is an indication that the banking industry appreciates the importance of gender equality.

**Table 1: Gender of Respondents**

Response	Frequency	Percent
Male	151	51%
Female	144	49%
<b>Total</b>	<b>295</b>	<b>100</b>

#### 4.1.2 Age of the Respondents

The respondents were asked to indicate their age bracket. Results in Table 2 reveal that 31.2% of the respondents were between 36-40 years, 28.1% indicated 41-45 years, 22.4% indicated 31-35 years, 9.8% indicated above 45 years while 8.5% indicated less than 30 years. This implies that majority of employees in the seven top banks are middle-aged and therefore have the strength and aggressiveness to influence performance of their organizations.

**Table 2: Age of the Respondents**

Response	Frequency	Percent
Less than 30 years	25	8.5
31-35 years	66	22.4
36-40 years	92	31.2
41-45 years	83	28.1
Above 45 years	29	9.8
<b>Total</b>	<b>295</b>	<b>100</b>

#### 4.1.3 Respondents' Education Level

The respondents were asked to indicate their level of education. Results in Table 3 show that 47.1% of the respondents were university graduates, 32.5% were post graduates while 20.3% were college graduates. This implies that all the respondents have the necessary academic qualification to influence performance of the banks.

Employees with higher education qualifications are expected to impact on organization performance better than those with less academic qualifications. Therefore, post graduate employees are expected to have more impact of organization performance.



This is line with Dada (2016) findings that a significant difference exists in the performance of students taught by professional and experienced teachers.

**Table 3: Respondents' Education Level**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
College	60	20.3
University	139	47.1
Post Graduate	96	32.5
<b>Total</b>	<b>295</b>	<b>100</b>

#### 4.1.4 Respondents Work Experience

The respondents were asked to indicate the number of years they had worked in the banking industry. Results presented in Table 4 reveal that 38% of the respondents have worked in the banking industry for 11 to 15 years, 23.7% indicated 5 to 10 years, 22% indicated over 15 years while 16.3% indicated less than 5 years. This implies that majority of the employees have been in the banking industry for long. This means that the employees have acquired the necessary transformational leadership skills and therefore, they are likely to influence the banks' performance. The findings agree with that of Quiñones, Ford and Teachout (2015) who found that work experience had the highest correlations with measures of job performance.

**Table 4: Respondents Work Experience**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Less than 5 years	48	16.3
5 to 10 years	70	23.7
11 to 15 years	112	38
Over 15 years	65	22
<b>Total</b>	<b>295</b>	<b>100</b>

#### 4.2 Descriptive Statistics Analysis

Descriptive statistics such as frequency, percentage, mean and standard deviation were jointly used to summarize the responses as presented in Table 5. Results revealed that majority of the respondents who were 80.4% (38.8%+41.6%) agreed with the statement that our organization leadership encourages teamwork, which has translated into improved performance, 2.4% moderately agreed while 17.4% disagreed. Also, 86% of the respondents agreed that our organization leadership communicates what needs to be done, 3.4% moderately agreed while 10.6% disagreed with the statement. Further, 81.7% agreed that our organization leadership gives employees autonomy in their work, 8.7% moderately agreed while 9.6% disagreed with the statement.

In addition, 76.1% of the respondents agreed that there is effective communication between the leaders and the employees in our organization, 7.8% moderately agreed while 16.1% disagreed. 79.5% agreed that employee motivation in an enthusiastic manner. 2.5% moderately agreed while 18 % disagreed with the statement. Lastly, 69.5% agreed that our organization sets goals that are achievable, 5.4% moderately agreed while 25.1% disagreed with the statement.

Using a five-point scale likert mean, the overall mean of the responses was 3.97 which indicates that majority of the respondents agreed with the statements about inspirational motivation. Additionally, the standard deviation of 1.17 indicates that the responses were varied.

The study findings concur with Ansar, Aziz, Majeed and Rassol (2016) who investigated the impact of charismatic leadership style on organizational effectiveness and concluded that charismatic leaders enhance organizational effectiveness and positive organizational outcomes such as organizational commitment. The results herein imply that inspirational motivation affects the performance of commercial banks in Kenya.

**Table 5: Inspirational Motivation**

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly Agree	M	Std. Dev
Our organization leadership encourages teamwork.	5.90%	11.50%	2.20%	38.80%	41.60%	3.99	1.20
Our organization leadership communicates what needs to be done.	5.00%	5.60%	3.40%	41.90%	44.10%	4.15	1.06
Our organization leadership gives employees autonomy in their work.	3.40%	6.20%	8.70%	41.00%	40.70%	4.09	1.02
There is effective communication between the leaders and the employees in our organization.	7.10%	9.00%	7.80%	34.50%	41.60%	3.94	1.22
Our organization leadership engages in employee motivation in an enthusiastic manner.	5.90%	12.10%	2.50%	40.70%	38.80%	3.94	1.20
Our organization sets goals that are achievable.	9.20%	15.90%	5.40%	33.90%	35.60%	3.71	1.34
<b>Average</b>						<b>3.97</b>	<b>1.17</b>

### 4.3 Correlation Analysis

Results in Table 6 indicate the correlation results between inspirational motivation and performance of commercial banks in Kenya. The results revealed that there was a positive and significant association between inspirational motivation and performance of commercial banks ( $r=0.746$ ,  $p=0.000$ ). This means that both inspirational motivation and performance of commercial banks change in the same direction. Further, the correlation coefficient of 0.746 reveals a strong association between inspirational motivation and performance of commercial banks in Kenya.

The study findings agree with that of Kimeto (2017) who established the influence of inspirational motivation on organizational commitment in commercial banks in Kenya. The study findings indicated that inspirational motivation significantly predicted organizational commitment. In addition, Ansar, Aziz, Majeed and Rassol (2016) investigated the impact of charismatic leadership style on organizational effectiveness and concluded that charismatic leaders enhance organizational effectiveness and positive organizational outcomes such as organizational commitment.

**Table 6: Correlation Matrix**

		Performance	Inspirational Motivation
Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Inspirational Motivation	Pearson Correlation	.746**	1.000
	Sig. (2-tailed)	0.000	

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

#### 4.4 Regression Analysis

The study sought to establish the relationship between inspirational motivation and performance of commercial banks. An ordinary least square regression model was used. The results of the model summary are given in Table 7. The findings revealed that inspirational motivation explained 55.6% of the total variations in performance of commercial banks in Kenya. This is supported by coefficient of determination also known as the R square of 55.6%.

**Table 7: Model Fitness**

Indicator	Coefficient
R	0.746
R Square	<b>0.556</b>
Adjusted R Square	0.555
Std. Error of the Estimate	0.2605079

Table 8 provides the results on the analysis of variance (ANOVA). The results indicate that the overall model was statistically significant. This was supported by the reported F statistic of 367.048 which was greater than the critical value of 3.84. The results were further supported by a reported p value of 0.000 which was less than the conventional probability of 0.05. The results imply that the model linking inspirational motivation to performance is statistically significant.

**Table 8: Analysis of Variance**

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	24.909	1	24.909	367.048	.000 <sup>b</sup>
Residual	19.884	293	.068		
Total	44.794	294			

Table 9 presents the regression of coefficients results. The findings show that there is a positive and significant relationship between inspirational motivation and performance of commercial banks in Kenya as supported by a p value of 0.000 and a beta coefficient of 0.779. This implies that an increase in inspirational motivation by 1 unit would increase the performance of commercial banks by 0.779 units.

The study findings agree with that of Kimeto (2017) who established the influence of inspirational motivation on organizational commitment in commercial banks in Kenya. The study findings indicated that inspirational motivation significantly predicted organizational commitment. In addition, Ansar, Aziz, Majeed and Rassol (2016) investigated the impact of charismatic leadership style on organizational effectiveness and concluded that charismatic leaders enhance organizational effectiveness and positive organizational outcomes such as organizational commitment.

**Table 9: Regression of Coefficients**

	<b>B</b>	<b>Std. Error</b>	<b>t</b>	<b>Sig.</b>
(Constant)	.996	.177	5.630	.000
Inspirational Motivation	.779	.041	19.159	.000

The specific model;

$$Y = \beta_0 + \beta_1 X_1 + e$$

$$\text{Performance} = 0.996 + 0.779 \text{ Inspirational motivation}$$

#### **4.5 Hypotheses Testing**

The hypothesis was tested using the ordinary least square regression. The acceptance/rejection criteria was that, if the calculated t statistic was greater than the critical t statistics (1.96), the  $H_0$  is rejected but if it less than 1.96, the  $H_0$  fails to be rejected, The null hypothesis was that Inspirational Motivation does not have a significant influence on the performance of commercial banks in Kenya. The regression of coefficient results showed that the calculated t statistic (19.159) was greater than the critical t statistics (1.96). This indicated that the null hypothesis was rejected hence inspirational performance has a significant effect on the Performance of commercial banks.

### **5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary of Findings**

The objective of the study was to determine the influence of inspirational motivation on the performance of commercial banks in Kenya. Descriptive result revealed that majority of the commercial banks leadership encourages teamwork, communicates what needs to be done, gives employees autonomy in their work, enhances effective communication between the leaders and employees in the organization and that the leadership engages in employee motivation. Correlation analysis showed that inspirational motivation and performance of commercial banks are positively and significantly associated. Regression analysis indicated that inspirational motivation has a positive and significant effect on the performance of commercial banks in Kenya. The hypothesis results indicated that there is a significant relationship between inspirational motivation and the performance of commercial banks in Kenya.

## 5.2 Conclusion

Based on the findings, the study concluded that inspirational motivation affects the performance of commercial banks in Kenya. This can be explained by the regression results which showed that the effect was positive and also showed the magnitude by which inspirational motivation influenced the performance of commercial banks. The regression results showed that inspirational motivation influenced the performance of banks by 0.779 units.

## 5.3 Recommendation

The study established that the inspirational motivation had a significant influence on the performance of commercial banks in Kenya. Therefore, the study recommended that the banks' leadership should encourage managers and employees to apply behaviors associated with inspirational motivation to improve the performance of the organization. These behaviors include clarity with which they communicate the organization's vision, inspiration motivation and encouraging team spirit. Managers can additionally reinforce inspirational motivation behaviors among their followers because they improve the effectiveness of a leader in realizing better performance results.

## 5.4 Suggestion for further Studies

The study sought to establish the influence of inspirational motivation on the performance of commercial banks in Kenya and, therefore, an area for further studies could consider the influence of inspirational motivation on other financial institutions such as insurance firms, capital markets and Micro Finance Institutions for the purpose of making a comparison of the findings with those of the current study.

## REFERENCES

- Ansar, S., Aziz, H., Majeed, A., & Rassol, U. (2016). Impact of charismatic leadership on organizational effectiveness. *International Journal of Scientific and Engineering Research*, 673-677.
- Bass, B. M., & Bass, R. (2008). *The Bass handbook of leadership: Theory, research, and managerial applications*. New York: Free Press.
- Bundi, S. M., Lewa, P., & Ndwiga, M. (2016). *Effects of Transformational Leadership on Work Stress among Top Managers in State Owned Enterprises (SOEs) in Kenya*
- Jensen, M.C., (2004), "Value Maximization, Stakeholder Theory, and the Corporate Objective Function," *Business Ethics Quarterly* 12, 235-256.
- Jestaz, D. (2014). Choosing Change: How Leaders and Organizations Drive Results One Person at a Time. *People & Strategy*, 37(1), 64-65.
- Jing, F. F., & Avery, G. C. (2016). Missing Links In Understanding The Relationship Between Leadership And Organizational Performance. *The International Business & Economics Research Journal (Online)*, 15(3), 107. JMD-08-2014-0091.
- Kaburia, C. (2013). *Leadership Style of School Principals and Performance of Primary Schools in Nairobi County of Kenya*. MBA Thesis. University of Nairobi.

- Kimeto, A. C., K'Aol, G. O., & Njenga, K. (2017). The Influence of Inspirational Motivation and Intellectual Stimulation on Organizational Commitment in Commercial Banks in Kenya. *Human Resource and Leadership Journal*, 2(3), 65-87.
- Koch, A. McDonald, H. (2013). "Post-crisis bank liquidity risk management disclosure", *Qualitative Research in Financial Markets*, 5(1), pp. 65 – 84.
- Kumako, S. K., & Asumeng, M. A. (2013). Transformational leadership as a moderator of the relationship between psychological safety and learning behaviour in work teams in Ghana. *SA Journal of Industrial Psychology*, 39(1), 00-00.
- Lee, Y. K., & Hee, C. D. (2016). A Study on the Leadership Style and the Organizational Performance in Korea and USA. *International Journal of Business and Management*, 11(7), 42
- Lussier, R., & Achua, C. (2013). *Effective leadership*. London: South-Western Cengage Learning.
- Maslow, A. H. (1954). The Instinctoid Nature of Basic Needs 1. *Journal of Personality*, 22(3), 326-347.
- Mbithi, A. M., K'Obonyo, P. O., & Awino, Z. B. (2016). Transformational Leadership, Employee Outcomes, and Performance of Universities in Kenya. *DBA Africa Management Review*, 6(2).
- Munirat, Y. O., & Nzelibe, G. C. (2012). Transformational leadership for excellent result: Challenges for women in management and executive positions in Nigeria. *Journal of Economics and International Finance*, 4(3), 61-68.
- Muthike, J. G. (2014). *Relationship Between Leadership Style and Performance of Public Secondary Schools in Makueni County, Kenya*. MBA Thesis. Nairobi: University of Nairobi.
- Ng'ethe, J. M., Namusonge, P. G., & Iravo, M. A. (2012, November). Influence of Leadership Style on Academic Staff Retention in Public Universities in Kenya. *International Journal of Business and Social Science*, 3(21).
- Northouse, P. G. (2013). *Leadership: Theory and Practice* (6th ed.). Los Angeles: Sage Publications Inc.
- Nyokabi, M. S., K'Aol, G. O., & Njenga, K. (2017). Effect of Idealized Influence and Inspirational Motivation of the CEO on Performance in the Private Sector in Kenya. *American Journal of Leadership and Governance*, 1(2), 17-38
- Robbins, S. (2001). *Organizational Behavior* (9th ed.). New Jersey: Prentice Hall Inc.
- Smith, M. A. (2011). Are you a Transformational Leader? *Nursing Management*, 44-50.

- Ullah, A. (2013). *Title Impact of Leadership on Organizational Performance: A Case Study of D&R Cambric Communication*. Vaasan Ammattikorkeakoulu University of Applied Sciences.
- Yukl, G. (2012). Effective leadership behavior: What we know and what questions need more attention. *The Academy of Management Perspectives*, 26(4), 66-85.