

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Effects of Adoption of Leadership Development Strategy on Management of Government Parastatals in Kenya

Choge James Kipruto

PH.D Candidate, College of Human Resource Development (COHRED), Jomo Kenyatta
University of Agriculture and Technology, Kenya

Dr. Jane Omwenga

Senior Lecturer, School of Entrepreneurship, Procurement and Management, Jomo Kenyatta
University of Agriculture and Technology, Kenya

Dr. Mike Iravo

Senior Lecturer, School of Entrepreneurship, Procurement and Management, Jomo Kenyatta
University of Agriculture and Technology, Kenya

Abstract:

A review of global good practice in countries with similar development challenges as Kenya identifies five roles for government parastatals in the national development effort. Government parastatals are important in promoting or accelerating economic growth and development and are critical to building the capability and technical capacity of the state in facilitating and/or promoting national development. The objective of the study aimed at establishing the influence of adoption of leadership development strategy on management of government parastatals in Kenya. The population for this study was drawn from government parastatals with strategic functions in Kenya. Descriptive survey design and mixed method research approach were adopted in the current study. Self-administered questionnaire was used to collect primary data. The study reviewed the previous evaluation reports, strategic plans, periodicals, and taskforce reports to obtain secondary data for analysis. SPSS software was used in this study to generate results for interpretation. Multiple linear regression model was used as a tool for analysis and the results generated were presented qualitatively in form of graphs and percentages and quantitatively through tables. The current study tested the null hypotheses in that leadership development strategy has no significant effect on the management of government parastatals in Kenya. The correlation analysis findings of the study showed a significant positive linkage between management and leadership development strategy at ($\rho=0.436$). The study consistently found that there exist a strong interrelationship between the management and the predictor variable, leadership development strategy. The study recommends that organizations should adopt leadership development strategy to boost their management in order to retain the best talents and improve productivity and performance. The study aimed to help the academicians, policy makers, business leaders, managers in the government organizations and private firms to make use of the competitive contemporary leadership development strategies to achieve desired strategic management objectives.

Keywords: Human capital, strategy, strategic management, parastatal, management

1. Introduction

Leadership development Strategy is a product from Human Capital. Human capital is regarded as the most stable platform in any organisation where meaningful strategic initiatives can be coined. According to Monaj (2013) human Capital is a well employed human resource that is actively engaged in meaningful, worthwhile work and delivering some level of desired productivity. Human Capital is a question of factoring knowledge and application to physicality. A human capital strategy on the other hand can be said to be the organization's *modus operandi* that can be aligned to fit in with the mission and strategic goals of any organisation. HCS defines the leadership, culture, and organisation to execute the business strategy. According to Maria, *et al*, (2014), the aim of the strategy is to transform the element of human capital into a more tangible asset, to plan and to match up the personnel in the organisation to the strategic goals of the organisation. The process aims to answer the question of how to prioritize investment in human capital and to build a differential strategy based on the various employee groups found within the organisation. An employee group can be defined along several axes according to the prevailing characteristics in the organisation. Leadership development strategy is initially defined by taking a top-down view of the organisation, examining its vision, business strategy, directions for development and growth, as well as assets and organizational culture.

According to Jack and Patti (2014), there is evidence of leadership structures being put in place to ensure that board and senior management are involved in sustainable development strategy and are then incentivized to monitor and ensure successful implementation of that strategy. There is evidence of a willingness to engage and communicate clearly the results of these strategies to interested stakeholders. Overall, there appears to be a developing acceptance amongst large corporations that efforts towards leadership development strategies are not only expected but are of value and continuity of the business. Jack and Patti (2014) further observed that this is evidence of a managerial shift away from an orthodox shareholder primacy understanding of the corporation towards a more enlightened shareholder value approach, often encompassing a stakeholder-orientated view of leadership development strategy. However, strong underlying tensions remain due to the insistent market emphasis on effective strategies.

King and Nesbit, (2015) support the use of qualitative evaluation techniques and in particular a focus on post-learning reflection to increase understanding of the impact of leadership development strategies. The increased understanding provided by this type of evaluation can play a significant role in both the design of leader development strategies and the creation of strategic fit between business strategy, the purpose of leadership development interventions, learning objectives, program design and program evaluation. To support organizational efforts in leadership development, performance improvement among the professionals in the organisation must be prepared to use a variety of development initiatives along with the right mix of strategies that enhance organizational performance (Johnstal, 2013).

Fahri, *et al.*, (2013) present four anchors that support benevolent leadership development: ethical sensitivity, spiritual depth, positive engagement, and responsiveness. McDermott, *et al.*, (2011) suggest different kinds of holding behaviors for example continuity that is necessary for enabling growth and effectiveness for leaders located in different developmental orders. Fulmer and Gelfand (2012) found out that employee with high leadership potential need to be systematically identified and tracked by line managers as part of an overall strategic succession planning process. Success in developing the next generation of leaders requires creating a talent management system in which selection, development, performance management, succession and career management are aligned, reviewed and supported by senior management. Leadership development involves multiple and coordinated actions (Dalakoura, 2010). McDermott, *et al.*, (2011) did an analysis which led to the identification of development-oriented themes in the leadership literature, and the provision of insights regarding the developmental influences, core activities (vision and mobilisation) and the contextual influences (sectoral and societal) which affect appropriate management functions. Strategic thinking depends on a collective view of organizational membership and takes for granted that leadership is a collective function not an individual one (Gray, 2005). Leader identity development is not a uni-dimensional event. Rather, it is a multi-faceted strategic process that encompassed three key facets of identity development: expanding boundaries, recognizing interdependences, and discerning purpose. Further, it is the co-evolution of these three facets and people's broadening understanding of leadership that leads to a more salient leader identity (Zheng and Muir, 2015).

Leaders have to work to develop their own models of leadership and their own agendas for development. If a person can't do this they can't be expected to play a leadership role in an organisation (Cunningham, 2010). Senior leaders do not get too close or too personal with their co-workers and this isolation can inhibit their ability to identify first hand individuals who might be in the up-and-coming next generation of leaders. Likewise, there is a perception that executives are more concerned with advancing their own careers rather than helping others move up the ladder. In environments with informal talent management processes, executives can be drawn towards finding and grooming mirror images of themselves or worse may succumb to organizational politics and favoritism when it comes to promotions and advancements (Hammett, 2008).

Leadership is a developmental process, which is based on the type of choice a leader makes. While choice implies that two good options are always available from which to select, one should make choices in accordance with the leader's worldview, looking for affiliation, that is the Theta worldview, or looking for achievement, that is, the Lambda worldview. Consequently, leaders need to recognise that the choices they make for organizational activities have to fit their own worldview. Pursuing the fit between one's worldview and planned organizational activities ensures that leaders continuously improve their leadership development (Mostovicz, 2009). Invisible forces act on the leadership process: the expectations of the followers, the culture of the organisation and the circumstances. The task at hand and the context seem to dictate when and how leadership appears. The leadership dynamic thus depends on the situation (Allio, 2013).

Therefore, leadership development strategy cannot be successful unless it clearly targets a specific business strategic goal. When all is said and done, if the strategy does not positively impact the business, there is really no reason to do it. For this reason, leaders need to be very clear about what they are trying to accomplish before implementing any single leadership development strategy. The starting point should be a business analysis as all leadership development efforts should be grounded in business strategic goals (Moore, 2004).

Management involves characteristics of both art and science. While certain aspects of management make it a science, certainly others which involve application of skills make it an art. Every discipline of art is always backed by science which is basic knowledge of that art. Similarly, every discipline of science is complete only when it is used in practice for solving various kinds of problems. To reinforce this view, Kreitner (2005) reiterates that management is a process of working with and through others to achieve organizational strategic objectives in a changing environment, central to this purpose is the effective and efficient use of limited but stable organizational assets such as human capital.

Parastatals in Kenya are organisations wholly owned or owned in part by the government of Kenya with both short and long term objectives in terms of public policy implementation and profit making. Parastatals in Kenya today are saddled with a wide range of objectives. They perform diverse functions spanning from manufacturing and commerce, financial intermediation and infrastructure development through service provision, regional development, environmental conservation to education and training as well as

regulation of the economy. Thus, it is the citizens who are represented by the government that are shareholders in these entities. Accordingly, the Kenyan government has a responsibility to enhance the value of its assets through the efficient delivery of public services where the public socio-economic needs of its citizenry are required or through optimizing profits where profit motives are expected. The government of Kenya aims to be a globally competitive and prosperous middle income country (GOK, 2007), with a projected annual GDP growth rate of approximately 1%. Government Parastatals are envisioned as playing a crucial role in promoting and accelerating economic growth and development that will drive the social and economic transformation of Kenya towards the realization of vision 2030, in terms of implementation of flagship projects to help bring about transformation in Kenya. The information contained in Taskforce Report on Parastatals Reforms (2013) shows that the output of government parastatals to GDP in nominal terms has been slightly increasing for instance from 10% in 2008/09 to an average of 11.84% in 2014/2015 based on the internally generated income. Employment and wage earnings in government parastatals have been declining in both absolute numbers and annual turnover because of management issues. The management and performance of state parastatals in Kenya have been a matter of on-going concern in an environment of resource scarcity and mounting strategic needs.

Consequently, concerns have been raised whether existing management skills and structures are adequate to develop long-term strategies for meeting these multiple obligations. A number of strategic, policy issues and challenges afflict parastatals in Kenya, including inadequate strategy formulation and implementation leading to poor definition of mandates, conflicts in mandates, as well as fragmentation of mandates that facilitate the proliferation of poorly resourced parastatals. It also affects the facilitative role of the state in ensuring effective human capital development that supports the national development effort. Most critically, there is the issue of poor management leading to the most coveted stable resource loss and burdening the public purse, including a multitude of human capital and institutional frameworks that generate multiple reporting and accountability lines, compounding the challenge of effectiveness of Boards and Chief Executive Officers. A number of CEOs have been weak and/or ineffective, leading to failure to provide strategic direction, facilitating their emasculation.

Leadership development strategies can influence management of small, medium and large scale institutions and organizations in one way or the other. These strategic initiatives not only influence and impact organization's management effectiveness and efficiency but also performance. Formulating sound leadership development strategies also serve as a motivator for employees and in turn will tremendously benefit the organisation, as happy workforce will more likely produce more, thus enhancing the organisation's general management and performance, and staying loyal to the organisation (Collings & Mellahi, 2009).

The relevance of effective leadership development strategy cannot be over-emphasized since it constitutes the organizational climate for internalizing success and achieving a strategic fit in the activities of an organisation. Adoption of leadership development strategies as a stable platform brings new outlook and enhances an organisation's competitiveness (Kihara, 2006).

2. Statement of the Problem

Lack of effective leadership development strategies has been cited as one of the reasons leading to the decline in the growth of the economy (World Bank Report, 2008). A study conducted by Benevene and Cortini (2010) on interaction between structural capital and human capital in Italian NPOs opines that the organisations spend most of their time realizing and reacting to unexpected changes and problems instead of anticipating and preparing for them. This is called crisis management, the opposite of strategic management. From the preceding, and looking at today's trend, it is evident that the pace of change in our business environment presents fresh challenges daily. Hence, the dire need for adoption of leadership development strategy designed and tailored for the achievement of the strategic fit of the organisation has to be fashioned out such that it will not only help in retaining the market share controlled, but also, the overall organizational effective and efficient management.

On the other hand, Felicio, *et al.*, (2014) did a study on human capital, social capital and organizational performance and concluded that human capital affects social capital, and that experience and cognitive ability influence personal relations and strategic management of an organisation. Moreover, the study argued that effective management results in better organizational performance and it is strongly influenced by human capital through the cognitive and strategic perspective. On the study of how human capital development strategies influence performance in contingency perspective, Paolo (2014) argued that the higher the dynamism in the environment, the more the need for human capital strategies such as leadership development strategy to put in place.

Existing studies in Kenya for example Kathama (2012); Kakunu (2012) only addressed strategic planning practices and performance of state corporations and strategic management practices among commercial banks in Kenya respectively. Kakunu (2012) further recommended that the organisations should consider adopting one or a set human capital strategies that fit into their overall objectives. Odhiambo and Waiganjo (2012) underscored the importance of aligning the relevant human capital strategies with management and organizational strategic goals. The study recommended that future studies should attempt to study the effects of compensation and other contemporary strategies on promoting of equity and alignment of responsibilities and qualifications in future. Apparently, none of the aforesaid studies have attempted to assess the effects of adoption of leadership development strategies on the management of government parastatals in Kenya's economy. Presidential Taskforce on Parastatals Reforms (2013) cited the existence of weak human capital initiatives and institutional capacity to attract and retain the key skill sets and talents needed for effective management to drive performance to greater heights. The management and performance of state parastatals have been a matter of on-going concern in an environment of resource scarcity and mounting needs leadership development strategies. A number of policy issues and challenges afflict parastatals in Kenya. The experience has been in some cases successful and in others not so. Putting the presidential taskforce report on parastatals reforms (2013) and the aforementioned studies into perspective, it is apparent that there exist a wide gap between leadership development strategy and management. This study therefore seeks to establish the effects of adoption of leadership development strategy on the management of government parastatals in Kenya.

3. Specific Objective

To establish the effects of adoption of leadership development strategy on the management of government parastatals in Kenya.

4. Hypothesis of the Study

To examine how the predictor variable influences the response variable, the following hypothesis sought to guide the current study.

- H_a : Adoption of Leadership Development Strategy has no significant influence on the management of government parastatals in Kenya
- H_b : Adoption of Leadership Development Strategy has significant influence on the management of government parastatals in Kenya

5. Literature Framework

This section sought to provide the theoretical review of the study using configurational theory.

5.1. Theoretical Framework

In view of explaining the effect of leadership development strategy on the management of an organisation, the study focuses on one competing theory as argued by various scholars, that is configurational theory.

5.1.1. Configurational Theory

A strategy's success turns on combining external fit and internal fit. In essence, an organisation with sound leadership development strategies should have a high level of performance, provided it also achieves high levels of fit with its competitive human capital strategy (Richard & Thompson, 2009). Emphasis is given to the importance of bundling human capital strategies together with business strategies so that they are interrelated and therefore complement and reinforce each other. Implicit is the idea that strategies within bundles are interrelated and internally consistent and more particularly have a significant impact on the overall management of the organisation. Effective management is as a result of ability and motivation of the human capital element through strategic leadership development investments. Thus; there are several ways in which workforce can acquire needed skills (such as careful selection, training, and mentorship). One of the key strategic incentives to enhance motivation is leadership development strategy.

A key theme that emerges in relation to human capital strategy is that individual and specific strategies such as leadership development strategy cannot be implemented effectively in isolation (Storey, 2007) but rather combining them into integrated and complementary bundles is crucial. MacDuffie (2005) argues that a bundle creates the multiple, reinforcing conditions that support employee motivation, given the proposition that the workforce has necessary knowledge and skills to perform its work effectively (Stavrou & Brewster, 2005). In the configuration school, cohesion is thought likely to create synergistic benefits which in turn enable the organisation's strategic goals to be met. The developmental school holds that leadership is grounded in experience and reflected by the personal interpretation of specific meanings articulated by inconsistent uses of language. These, in turn, influence the development of future perspectives (Alvesson & Svenningsson, 2003).

The aim of bundling leadership development strategy with other human capital strategies for example is to achieve coherence which exists when a mutually reinforcing set of human capital strategies have been formulated and coupled with the overall organisation's strategies to attain a strategic fit. The approach of bundling is holistic as it is concerned with the organisation as a total entity and addresses what needs to be done as a whole in order to enable it to achieve its organizational strategic objectives. According to MacDuffie (2005), the notion of a link between business strategy and the strategic performance of each individual in the organisation is central to fit or vertical integration. Internal fit advocates bundles of strategies, to ensure that organisations gain benefits from implementing a number of complementary strategies rather than only a single strategy. Most models of best fit focus on ways to achieve external fit. The most influential model of external fit is that from Schuler and Jackson (2007) which argues that business performance will improve if their human capital strategies support the choice their business strategies. Under this model, organisations need to work out the required employee behaviors to implement a chosen competitive human capital strategy such as leadership development strategy and devise supporting HCS to enable those unique behaviors to be strategically formulated, implemented and enhanced in the workforce. Vertical integration can be explicitly demonstrated through the linking of a business strategic goal to individual objective setting, to the measurement and rewarding of attainment of that business strategic goal.

In support to configuration theory, Schuler and Jackson (2007) described the appropriateness of human capital strategy such as leadership development strategy as a fit of strategies that help the organisation realize quality outputs and innovation enhancement. The significant difference between the contingency and configurational approach is that these configurations represent non-linear synergistic effects and high-order interactions of human capital strategies that can result in effective management that leads to better performance of the organisation (Delery & Doty, 2000).

Wilkinson (2002) note that the key point about configurational perspective is that it seeks to derive an internally consistent set of human capital strategies that maximize both vertical and horizontal integration and then link these to organizational strategic configurations in order to maximize vertical integration and thus resulting to better organizational management and performance. The developmental school of thought, on the other hand, seeks to understand the conscious steps taken to become a leader. Rooted in existentialist phenomenology, it holds that leadership development as well as human history is created (that is 'caused') by our awareness of our own mortality (i.e. existential 'time') which shapes everyday lives as a continuous interpretation of experience of the past and expectation (that is 'anticipation') of the future (Koselleck, 2002). Thus, put simply, configuration theorists require an

organisation to formulate and implement human capital strategies that can help the organisation achieve both horizontal and vertical integration. The configuration approach contributes to the debate on leadership development strategy as a critical initiative in recognizing the need for organisations to achieve both vertical and horizontal fit through adoption of human capital strategies, so as to contribute to an organisation's competitive advantage and therefore be deemed strategic. Leadership development strategies and competency frameworks can be typically adopted to provide for coherence across a range of human capital and management activities processes.

6. Research Methodology

This section sought to describe the research design adopted by the current study. Against the backdrop of its importance, Industrial Research Institute (2010) indicates that research methodology helps the researcher to scientifically discover all the conceivable answers of given research queries to a logical conclusion. Descriptive survey design was used in the current study to guide the study.

6.1. Research Design

A research design can be described as the arrangement of all conditions that affect a research right from data collection to data analysis (Cooper & Schindler, 2008). The selection of a research design is normally dependent on the study's fortitude and approach (Saunders, *et al.*, 2009). The study employed descriptive survey design. In essence, Shield, *et al.*, (2013) reiterated that descriptive survey design is useful in describing the features of a population that has been earmarked for study and to provide answers to research questions. The study equally adopted both the qualitative and quantitative approaches to establish the associations among the response and the predictor variables respectively. Previous studies have shown that combinations of two approaches usually help in yielding data of the same kind (Teddlie & Tashakkori, 2010). The study employed qualitative approach because it targeted to achieve the insights of the situation about leadership development strategies and the management aspect. The study also used both closed and open ended questions and content analysis to ensure the opinions from the respondents are well gathered for as described by (Cooper & Schindler, 2006). On the other hand, quantitative approach was used to quantify the hypothesized variables to determine the effects and relationship of the predictor on the response variable. In this study the sampling frame was the list of 194 management employees from 9 commercial government parastatals with strategic functions from where the sample of respondents was drawn.

7. Research Findings and Discussions

The specific objective aimed to establish the influence of adoption of leadership development strategy on the management of government parastatals in Kenya. In line with objective, descriptive analysis on leadership development strategy was conducted on 5 point Likert scale and summarised through percentages as shown in Table 1. First, asked whether they were aware of Leadership Development Strategy, 38.2% and 36.6% agreed and strongly agreed respectively of being aware, while 6.5% and 5.7% disagreed and strongly disagreed and 13% took a neutral stand respectively.

Secondly, respondents were requested to indicate their level of agreement on "Strategic leadership lessons are best learned from those who are trusted and well respected inside our own organisation." 35% and 26% showed strong agreement and agreement respectively while only 4.1% and 12.2% who showed their strong disapproval and disapproval respectively. Conspicuously, 22.8% of the respondents were unsure of where they fall and instead took a neutral stand. Thirdly, respondents were required to show their level of approval to the following construct; "personal assessments and development plans are excellent resources that enable employees and the top management to gain mutual insight into the employee's best fit at the organisation." In response, 33.3% and 31.7% indicated their strong approval and approval respectively whereas there was a tie (8.1%) with those who chose to disapprove and strongly disapprove. A significant proportion of the respondents (18.7%) were indecisive.

Fourthly, the study prompted the participants' opinion on whether their organization had already developed plans and processes for employees to engage with and begin to plan their own career paths. Most of the respondents 61.8% disagreed with this statement while 18.7% approved to have plans and process and 19.5% were unsure and took a neutral stand. Respondents were also required to indicate their level of agreement on whether their respective organizations equip its human capital with leadership skills of global nature from time to time or when need arises. 37.4% and 13.8% of the respondents showed their agreement and strong agreement respectively while 24.4% and 8.1% opposed by strongly disagreeing and disagreeing respectively. The results also showed that 16.3% of the respondents were undecided.

Sixth construct on whether respondents agreed to having a well-developed mentoring program had helped in keeping employees long enough to develop leaders who understand the organisation's culture and processes, the results showed majority of the respondents (33.6%) strongly agreeing, 27% posted their agreement whereas 25.4% and 2.5% showed their disagreement and strong disagreement respectively. There was a significant percentage (11.5%) who were undecided. The seventh construct posed whether integrated mentoring and coaching programs enables the respondents' organisation identify, select, and develop high-potential employees as suitable candidates for leadership roles. Supposedly, 56.9% agreed to have these programs while 29.3% recorded their disapproval though still 13.8% were undecided. Finally, the researcher sought the participant's opinion on whether the organisation selects action learning projects that directly relate to the business strategy and which have potential of enabling participants to practice their leadership development goals. Results from the respondents showed that 40.6% of the respondents nodded in agreement whereas 30.9% posted their disagreement even though 28.5% were still undecided. The average mean score was 3.41 depicting that majority of the respondents were in agreement that leadership development strategy is a key determinant management success. The results from the study thus indicate that leadership development strategy influences management of government parastatals in Kenya by a significant margin. The revelation concurs with the findings by Byham (2009) which opined that existence and compliance to human

capital strategy framework determines the success of managing the organizations. In support to the results from the respondents of this study, Britt (2009) also found out that organizations can only thrive in achieving strategic management objectives if leadership development-based strategies coined from HCS framework are embraced. Table 4.9 shows the summary findings from the respondents.

	Percentage of responses (n=123)					Mean	Standard Deviation
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
I am aware of talent Leadership Development Strategy	5.7	6.5	13	38.2	36.6	3.94	1.13
Strategic leadership lessons are best learned from those who are trusted and well respected inside our own organisation.	4.1	12.1	22.8	26	35	3.76	1.18
Personal assessments and development plans are excellent resources that enable employees and the top management to gain mutual insight into the employee's best fit at the organisation	8.1	8.1	18.7	31.7	33.4	3.74	1.23
The organization already has a development plans and processes in place that employees can engage with and begin to plan their own career paths.	23.6	38.2	19.5	13.8	4.9	2.38	1.13
From time to time or when need arises, our organisation normally equip its human capital with leadership skills of global nature	8.1	24.4	16.3	37.4	13.8	3.24	1.20
Having a well-developed mentoring program has helped in keeping employees long enough to develop leaders who understand the organisation's culture and processes	2.5	25.4	11.5	27	33.6	3.64	1.25
Integrated mentoring and coaching programs enables our organisation to identify, select, and develop high-potential employees as suitable candidates for leadership roles.	9.8	19.5	13.8	26.8	30.1	3.48	1.36
The organisation selects action learning projects directly relating to the business strategy and which have enable participants practice their leadership development goals.	7.3	23.6	28.5	26.8	13.8	3.16	1.15
Average						3.42	1.2

Table 1: Leadership Development Strategy

7.1. Inferential Analysis

In order to determine the effects of leadership development strategy on the dependent variable, that is, management, inferential analysis were conducted. The bivariate nature of both response variable and the predictor variable was sought. Previous studies have proved that a bivariate nature of two variables can be established by use of either correlation or regression analysis. Correlation analysis is used to establish the strength of the relationship between the dependnet and independent variable whereas regression analysis is used to establish the nature of the relationship between the dependent variable and independent variable (Kothari, 2009). For the purpose of the current study both correlation and regression analysis were used. Decision criteria on whether to reject or fail to reject the null hypothesis was based on 5% level of significance. If the results could have shown a p-value of greater than 0.05, the null hypothesis could have been accepted and vise versa. In this current study, the p-value was less than 0.05. The null hypothesis was therefore rejected implying that leadership development strategy has significant influence on management.

7.2. Correlation Analysis

The study sought to find out the strength of the link between management and leadership development strategy. To conduct correlation analysis, Pearson's Product Moment (PPM) correlation was conducted since it is applicable when study variables are in ratio scale. Correlation coefficient (rho) was used by the study as the measure of the strength of the relationship between the study variables. The findings of the study revealed a significant positive linkage between management and leadership development strategy (rho=0.436). This implies that any unit increase in leadership development strategy improves the management of government parastatals by 43.6%. The results of the correlation are as summarised in Table 2.

	MGP	LDS
MGP	1	
LDS	.436**	1

Table 2: Correlation Matrix

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

Key;

MGP: Management of Government Parastatals

LDS: Leadership Development Strategy

7.3. Hypothesis Testing

→ H_a: Leadership development strategy has no significant influence on Management of Government Parastatals

The model summary in Table 2 demonstrates the coefficient of determination as indicated by R squared to be 0.19. This implies that 19% of the management aspect of government parastatals is explained by leadership development strategy while the other factors that were not considered by the current study control the remaining proportion of 81%. The adjusted R square of 18.3% depicts that if management is excluded, then leadership development strategy explains only 18.3%. The standard error of estimate of 0.22624 shows the average deviation of the independent variables from the line of best fit.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.436a	0.19	0.183	0.22624
a Predictors: (Constant), LDS				

Table 3: Leadership Development Strategy Model Summary

The test for goodness of fit was assessed using one-way Analysis of Variance (ANOVA) as shown in Table 4. The end result reveals that the p-value is less than the 0.05. This implies that there is a significant change in the explanatory power for the variable leadership development strategy (F = 28.347 and p value <0.05) on the response variable.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.451	1	1.451	28.347	.000b
	Residual	6.194	121	0.051		
	Total	7.645	122			
a Dependent Variable: MGP						
b Predictors: (Constant), LDS						

Table 4: Leadership Development Strategy ANOVA

From Table 4 regression equation can be written as:

MGP = 2.102 + 0.276 LDS Equation

The regression equation (iv) shows that holding leadership development strategy at a constant zero, the status of management of government parastatals would be at 2.102. This implies that any unit increase in leadership development would lead to increase in the management of government parastatal by factors of 0.276. Moreover, since the p-value was found to be less than 0.05, it therefore means that leadership development strategy has significant influence on management of government parastatals as the null hypothesis was rejected. Table 5 shows the summary coefficients of LDS.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.102	0.159		13.2	0.000
	LDS	0.276	0.052	0.436	5.324	0.000
a Dependent Variable: MGP						

Table 5: Leadership Development Strategy Regression Coefficients

The regression results showed a significant and positive relationship between leadership development strategy and management of government parastatals. The null hypothesis stated:

→ H_a: Adoption of Leadership development strategy has no significant influence on management of government parastatals in Kenya.

Based on this preposition, the null hypothesis was rejected favouring the alternative hypothesis. Therefore, this implied that an increase in leadership development strategy has a positive effect on management. In other words, adoption of leadership development strategy would be followed by improvement in the management of the government parastatals. Most participants (61%) were of the opinion that well respected and trusted individuals in the organization formed the best roadmap for strategic leadership. Elsewhere,

individuals of high calibre are those considered transformational, which is an asset that many organizations, strives to get to improve the current and future performance (Koech & Namusonge, 2012).

Personal assessment has been observed to be an appropriate chance of evaluating personal statement and achievement received (Hunnicut, 2008). Further, most of the respondents (65%) have shown their agreement to the gain received by employees plus top management inform of insight of the best fit individuals in the management of the organisation. Even so, evidence from the sample suggest that many organizations lack development plans to start up employee career paths as shown by majority of the respondents (61.8%) who refuted this claim of having any plans in their organization. Palmer's (2012) survey on Human Resources found that mass exodus amongst employees was major due to compensation and benefits (50%) while another group indicate lack of career paths (35%). Meaning that organisations need to develop a structure that shows the path their employees are expected to go through.

Mentorship programs meant to nurture leadership skills for longevity of the organization culture and processes have proven necessary over time organisation have established these vital programs to equip human capital with skills that can help retains employees for tomorrow leadership. United States Office of Personnel Management (2008) outlined numerous reasons for mentoring programs being to increase morale, increase productivity, for leadership development among others. A key to note from this article is that the framework for mentorship is necessary and must be aligned with the business goals. In this study, it was also found that mentorship and coaching program were areas that helped to identify, select, and develop high-potential employees as suitable candidates for leadership roles as shown by the agreement made in the statement. In the selection of the learning projects, business strategy is seen as a determinant factor that create enabling environment for participants to practice their leadership development goals. And as Merrick (2013) argues, mentoring programs may be challenged in the management talents within the organization based on objectivity.

8. Conclusions

The objective of the study was to find the effect of leadership development strategy on management of government parastatals. Leadership development strategy was measured by studying self-driven development, exposure to global leadership skills and action learning, and coaching done for leadership. One-way analysis of variance revealed a F-statistics of 28.347 which was significant as p-value was less than 0.05. Regression coefficients demonstrated a beta of 0.276 and significant value less than 0.05. This implies that leadership development strategy is highly valuable in the management of government parastatals and that for every unit increase in leadership development strategy would lead to increase in management of government parastatals by 27.6%.

Evidence from the sample, as shown by regression analysis, suggests that leadership development strategy effect management of government parastatals which was consistent with correlation coefficients that further proved presence of a weak positive relationship which was significant at 0.01 level ($\rho=0.475$, $p\text{-value}<0.01$). The predictive power as shown by R-squared indicate that only 19% of management of government can be explained by leadership development strategy alone.

After reviewing both theoretical and experimental literature the study consistently found out that there exists an interrelationship between the management of government parastatals and predictor variable (leadership development strategy).

Furthermore, the current study revealed the significance of leadership development strategy as it was found to be statistically and positively impact the management of the organization. Going by this, it can be concluded that organizations wishing to improve the effectiveness and efficiency of management should consider adopting competitive leadership development oriented strategy that will see the employee and managers develop individual leadership skills. This study concludes that personal assessment and development plays a greater role by in-sighting the best-fit employees in the organization to develop their career in leadership. However, it can also be concluded that mentoring and coaching alone does not help in selection of those employees to for leadership.

9. Recommendations

The study revealed positive significance of leadership development strategy on management. In reference to the findings and the conclusions of the current study, the researcher recommends that adoption of leadership development strategy should be prioritized. Organizations wishing to optimize effectiveness and efficiency on management should consider competitive leadership development strategies. Success of any leadership development strategy in the organization will only be achieved if employees in the organization are shown their career path and mentored by the most trusted and respected leaders in the organization. Organization should strive to achieve good leadership through mentoring programs that are aligned to the organization's culture and processes. Any consideration to leadership opportunities should not be biased only to one side of the gender and minority groups but should spur across the spectrum of all qualifying employees within the organization. Leadership development strategy allows the organization to create a pool of leaders with a wide range of strategic leadership skills. Organizations should embrace this strategy as it helps in solving all issues surrounding management succession matters.

In summary, strategies that are associated with leadership development need to be embraced, enhanced and aligned to the mission and vision statements of the organization and make them part and parcel of key strategic decisions due to the significance as demonstrated by positive relationship between leadership development strategy and management. Organizations should be encouraged to prioritize strategic leadership development initiatives for better management and performance.

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