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Influence of Leadership Competencies on Performance of State Corporations in Kenya

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Abstract;

Start corporations needs to focuses on the critical aspect of leadership which involves Leadership competencies both in their present operations and in future. Leadership competencies determines the performance of the state corporation. The objective of the study was to examines the influence of leadership competencies on performance of state corporations in Kenya. The study used descriptive research design and adopted a question in the data collection. The target population were 34 CEOs and General managers of Kenya state corporations with Commercial objectives. Data analysis was the help of statistical package of social sciences. The study found out that a majority of the leadership competencies had a positive and a significant relationship with performance of state corporations in Kenya. But the impact varied in specific competencies. Social awareness leadership competency had the highest impact followed by self-awareness leadership competency and social skills leadership competency and self-management leadership competency. The study recommended that state corporations should conduct trainings on leadership competencies which will enhance a better financial performance of the state corporations.

Keywords: Leadership competence, performance

1. Introduction

The modern business environment experiences complexities and dynamism, The application of the leadership competencies in the organization should be supported by the global business strategies which identifies the systems and approaches required for a successful performance of a corporation (Cross et al., 2010). In developing leadership competencies an examination of the dynamic aspect of a corporation should be the major factor. Different corporations should adopt a different leadership competencies that suits it operation. (Bolden, Hawkins, Gosling, & Taylor, 2011). The study examined the following leadership competencies, Self-awareness, self-management and social skills. The corporation has a role of identifying the respective competencies a leader should possess (Rohana & Abdullah, 2017). Research on the leadership competencies have varied on context and objective therefore leaving a knowledge gap which requires more studies to be carried out which should include some theoretical framework to describe the systems related to the development of the leadership competencies (Kouzes & Posner, 2012). Corporations should come up with leaders with required competencies which could cope with the ever changing and competitive business environment (Mwithi, 2016). The main Objective of the state corporations in Kenya is facilitation of the equitable distribution of the development gains which helps in catering for the regional imbalance through creating employment, indigenize the economy and facilitating the growth by providing the necessary services (Ogola & Nzulwa, 2018). In south Africa, the leaders in the business environment experiences a variety of limitations such as globalization, cultural diversity, black economic empowerment and transformation. The African business environment have a unique limitation that need not only generic but also inspirational and transformational leaders (Khoza, 2012). Globally, state corporations have a significant role in a country's socio economic development (Linyiru & Ketyenya, 2017).

1.1. Leadership Competencies

Can be defined as the behaviors that leads to greater performance. They are developed through establishing multiple intelligences leaders have. The Future trends in business should focus on the generation and development of new leadership competencies. This study focuses on four leadership competencies which are: Self-management leadership competencies, self-awareness leadership competencies, social awareness leadership competencies and Social skills leadership competencies. Self-awareness leadership involves an honest understanding of your own values, desires, thought patterns, motivations, goals and ambitions, emotional responses, strengths and weaknesses, and effect on others (Park & Han, 2015). Self-management leadership is the ability to apply introspection, self-evaluation and self-management techniques in order to pro-actively and continuously improve own behavior and performance (Kathama, 2012). Social awareness leadership is the candidness and a sense of diversity. Social awareness leadership competency is the ability to self-regulate yourself. Social skills are the leader's ability on person to person relation. When Corporations invests on leadership competencies, they end up promoting skill development for better leadership. However, the skills required for a particular position can change based on the leadership level in the organization.

1.2. Performance

Is defined as is defined as the outcome produced from a specific objective, job function or activity in a certain period. It consist of three areas which are: profits, return on asset, and return on investments (Ogola & Nzulwa, 2018). State corporation in Kenya have recently tried to manage performance through the balance score card method. But further, performance is measured in several perspectives for instance: financial performance, customer service, employee stewardship and social responsibility (Heo, 2018). This study examines two performance attributes which are return on investment and return on asset. Return on asset(ROA) measures the level of profit the corporations generates as percentage of the value of the total asset (Santos, Belton, Howick, & Pilkington, 2018). Therefore, it is significant to continuously compare organizations return on asset (ROA) to other corporations in the same sector or against its own (ROA). Return on asset is calculated by comparing the available net profit of the common shareholders to the total assets (Mjongwana, 2018). Return on investment is a ration used to measure the extra profit generated from certain investment (Preuss, 2016). State owned Corporation adopts ROI in their investment determinations so that they may get the more profitable and beneficial projects.

1.3. Statement of the Problem

Leadership competency is a crucial to a corporation due its ability to enhance the accomplishment of the output. Leaders in most state corporations in Kenya lack the required competencies for the position they hold (Berard.2013). State owned corporation plays a significant role in a country's economy including addressing region economic imbalances, upsurge Kenyan citizens, contribution in the economy, encourage indigenou entrepreneurship, and foreign investment through joint ventures (Kennon, 2012). In the recent past state-owned corporations in Kenya have faced by rampant collapsing which has led to scholars to analyzed the possible causes of the situation at hand. A few scholars have succeeded in establishing the possible leadership is a perfect example of the leadership aspect that contributes to the collapsing of this corporations. Globally the leadership competency concept has been adopted and its performance relationship may be established in various aspect of improvement as the corporations carries on their economic objectives. Several corporations have been faced by inefficiencies, loses unreliable products and service and lack of accountability. Due to insufficient aspect of the research finding in this area of study the research found the need to examine further the influence of leadership competencies on performance of sate corporations in Kenya. This study therefore makes a step to this direction.

1.4. Research Objectives

The objective of the study is to examine the influence of leadership competencies on performance of state corporations in Kenya.

1.5. Specific Objectives

- To determine the influence of self-awareness leadership competencies on performance of state corporations in Kenya.
- To establish the influence of self-management leadership competencies on performance of state corporations in Kenya.
- To analyze the impact of social awareness leadership competencies on performance of state corporations in Kenya.
- To examine the influence of social skills leadership competencies on performance of state corporations in Kenya.

1.6. Theoretical Review

1.6.1. Trait Theory

According to trait theory all leaders are both successful and unsuccessful. This theory was pioneered by Gordon Allport(1800s) This theory also states that the leader's character determines his ability to be a good or a bad leader. It addresses self-management leadership traits that can be linked to competencies that make a good leader. The situational aspect plays a significant role in identifying individuals who are able to lead well; it is an interaction between these traits and situation that determines leadership quality. A leader is seen to have the necessary combination of different characteristics which makes them the best leaders(Mau, 2017). Trait theory is significant to this study since it examines various characteristics of a good leader. The theory suggests that the trait of a leader depends on whether an individual is a good or a bad leader(Ahmed, 2018).

1.6.2. Stewardship Theory

This theory presents a modernized aspect of actualizing the link between ownership and management. This theory was established by Donald and davisin (1991). It suggests that the main goal of an organization is maximization of the shareholders wealth. The theory assumes that organizations are entities that affects the welfare of different organizations stake holders. Stake holders plays a significant role to the success of a corporation since they have legal and moral rights (Contrafatto, 2014).This theory was founded by Donald and Davisin (1991). It is modern perspective of understanding the relationships on ownership and management. Stewardship theory also referred to as stake holder's theory.

The theory suggests that the objective of the organization is not only maximizing the shareholders wealth but also has a broader social role (Sarboini, Rizal, Surya, & Yusuf, 2018). The theory states that organizations are entities that impact on the welfare of various stakeholders which includes groups and individual associated with these organizations and directly or indirectly influence by the performance of this organization. (Mjongwana,2018) Natural environment is also considered to be a key aspect to stakeholder. Stake holders plays a significant role to the success of a corporation since they have legal and moral rights (Contrafatto, 2014). Organizations leaders should therefore be careful in considering stakeholders claims in their decision making because this may enhance efficiency. Stewardship theory well describes social skills leadership competencies and therefore, give the shareholders the ability to motivate employees in taking up their roles in the best interest of the organizations instead of their own selfish interests.

Theory further assumes that the top management of a corporations cares more on the success, welfare and future an organization. This theory contributes to this study by explaining the abilities of the stakeholders that directly determines the performance of the company therefore, it is expected that, a good leadership competency would result and transform into better performance of the organization.

1.7. Resource-based View Theory (RBV)

According to Resource based theory organizations that have a strategic resource have a better chance of competitive advantage. The possession of resources makes it easier for organizations to focus in establishment of good image over their competitor. The theory focuses on the organizations resources as the primary element that impacts its competitive advantage. The theory was developed by Wernerfelt, (1984).

The dynamic nature of firms calls for the development of dynamic capabilities which can be able to incorporate, build upon and reconfigure internal and external resources to the advantage of the firm. The RBV of the firm links the organization's internal capabilities to strategy formulation to achieve competitive advantage (Njuguna, 2009). The theory is relevant to the study since these corporations use the resources that they have for them to gain a competitive advantage over its competitors who are on the private sector. In summary this theory supports the social awareness and social skills where by a leader in his/her capacity should be able to put the resource in his possession in use effectively.

1.8. Empirical Review

1.8.1. Self-Awareness Leadership Competencies

This competency suggests that an individual should be insightful and possess knowledge through establishing their strengths, weakness, needs and emotions. Leaders must be aware of their defensiveness before they can examine others problem (Linyiru &Ketyenya2017). Self-awareness is perceived to be critical to a leader social interaction with other people and also enhances self-discipline (Mwith, 2016). It is supported by different scholars since it supports the element of good attributes for instance maturity, self-confidence, personal mastery and positive ego. (Rohana & Abdullah, 2017).

1.8.2. Self-management Leadership Competencies

There are behaviors that are administrative in nature. Leaders with self-management competency portrays a positive human skill and have a good self-evaluation technique that significantly impact the performance of the team (Ahmed, 2018). There are six key leadership competencies which includes: human, conceptual, technical, communication, emotional intelligence, and industry knowledge skills (Sirurmah, 2005). Self-management leadership competence is critical since it has a positive link to the performance as compared to other leadership competencies (Nga'nga, 2018).

1.8.3. Social Awareness Leadership Competencies

It can be defined as how people handle relationships and awareness of others' feelings, needs, and concerns (Okpara, 2015). This leadership competency has proven to have a positive effect on the corporation's performance and especially on the financial; aspect of performance (Mwith, 2016). Social awareness is described as not to have the ethical impact and which can be dangerous to the corporations performance (Alkahtani,2015).

1.8.4. Social Skills Leadership Competencies

This can be described as basically networking or relationship management. It involves person to person communication. Leadership is process that involves selection, transformation and critical and creative thinking through acquiring knowledge (Khajeh,2018). Interpersonal skills give leaders to get the best out of peopleby raising their esteem and capability for cooperation and team building, ability to attract and develop talent, capacity to motivate and align people to one vision, and oral and written communication. Overall, social skills are outcomes and culminations of other dimensions of emotional intelligence, and combine logical intelligence, emotional intelligence and technical skills into coherent global leadership competence. Social skills make it possible to get the work done through other people and to move people in the desired direction (Khajeh, 2018).

1.9. Conceptual Frame Work

The conceptual frame work adopted performance as the dependent variable and leadership competencies as the independent variable.

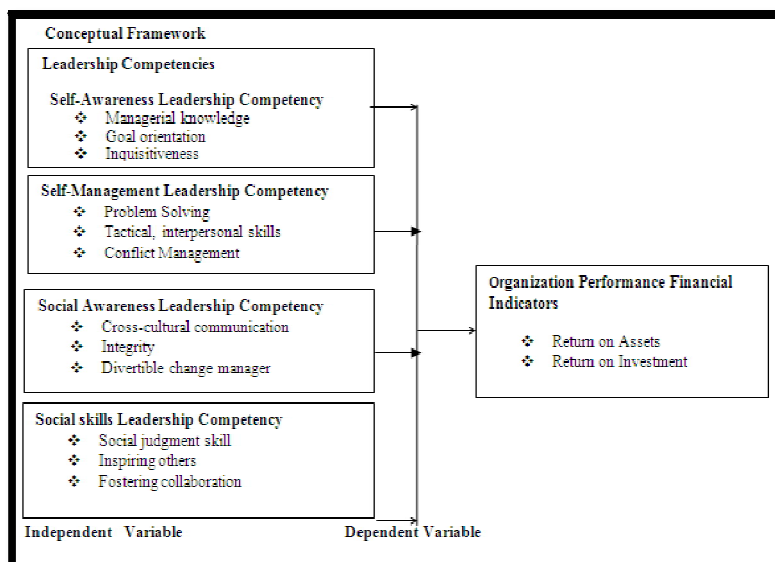


Figure: 1
Source: Author, 2019

1.10. Methodology

The study used the descriptive survey design to examine the influence of leadership competencies on the performance of state corporations in Kenya. The study was a census and therefore the population was derived from 34 commercial state corporations in Kenya with a commercial objective. Data collection was done through questionnaires. The researcher analyzed the data through the use of Statistical Package for Social Sciences (SPSS). Data presentation was in the form of frequency distribution tables, pie charts, and bar charts for ease of understanding and interpretation by the users.

2. Results of the Finding and Discussion

A regression analysis was carried out to establish the link between leadership competencies and performance.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|------------------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| self-awareness | .533 ^a | .284 | .266 | 1.045 | .284 | .517 | 10 | 13 | .850 |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| Self-management | .742 ^a | .551 | .205 | .711 | .551 | 1.593 | 10 | 13 | .213 |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| Social-awareness | .639 ^a | .408 | .047 | .816 | .408 | .898 | 10 | 13 | .560 |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| Social- skills | .590 ^a | .348 | .153 | 1.266 | .348 | .694 | 10 | 13 | .715 |

Table 1: Model Summary
Source: SPSS Generated Analysis, (2019)

Table 1 presents a model summary of the regression analysis of the four independent variables and the dependent. The study identified a correlation value of .533, .742, .639 and .590 respectively which were closer to positive

one which indicates a closer to a perfect linear connection that shows that there is a significant link between leadership competencies and performance. The R^2 value presented the proportion of the variance of the data accounted for by the concept which found be 0.284,0.551,0.408, and 0.348 respectively.

| | | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|---------------|----------------|-----|-------------|--------|------|
| Between People | | 152.902 | 23 | 6.648 | | |
| Within People | Between Items | 3093.167 | 21 | 147.294 | 69.003 | .000 |
| | Residual | 1031.015 | 483 | 2.135 | | |
| | Total | 4124.182 | 504 | 8.183 | | |
| Total | | 4277.083 | 527 | 8.116 | | |

Table 2: ANOVA

a. Dependent Variable, b. Independent Variables

Source: SPSS Generated Analysis, (2019)

Table 2 presents the analysis of the variance of processed data which consist of F test of the entire significance of the linear model. At 95% confidence level the value of the determined F was 69.003 and the F helped to analyses the entire statistical significance of the model. The regression model was statistically important at F (23, 21) =69003 and probability calculated =0000 thus sufficiently fits the data.

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-----------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | | | |
| (Constant) | 1.199 | .370 | 0.209 | 3.245 | .002 |
| Self-awareness leadership | 0.302 | 1.045 | .217 | 1.321 | .191 |
| Self-management leadership | 0.809 | .711 | .161 | .883 | .380 |
| Social awareness leadership | 0.552 | .816 | .235 | 1.554 | .125 |
| Social skills leadership | .203 | 1.266 | .103 | .666 | .508 |

Table 3: Coefficients

a. Dependent Variable, B. Independent Variables

Source: Spss Generated Analysis, (2019)

Table 3 presents the coefficients of the result of the regression analysis. The table shows the Beta values for leadership competencies as self-awareness 0.302, self-management 0.809, social awareness 0.552 and social skills as 0.203. the regression model was

$$Y_1 = 1.119 + (0.302) X_1 + (0.809) X_2 + (0.552) X_3 + (0.203) X_4$$

Where Y= performance α = constant β = coefficient factor, X1= self-awareness, X2 self-management, X3 Social awareness and X4 social skills.

The model suggested that if all factor of the independent variables were held constant, performance would be at 1.119 and that effort to improve leadership competencies would lead to an increase in performance by 0.302,0.809,0.552 and 0.203 respectively.

3. Conclusions

The study concluded that self-management leadership competency positively impacts the performance of the state corporation in Kenya. This is shown by the regression analysis which established that self-management leadership competency only affects the performance of the corporations. Further, the regression analysis showed that self-management leadership competency affected the performance of the state corporation by .809 self- management has the highest influence on performance compared to the other independent variables. All the independent variables are statistically significant.

4. Recommendations

The study suggested that state owned corporations should consider adopting a culture of holding trainings on all the leadership competencies and their attributes to help in the enhancement of better performance. The modern business environment experiences complexities and dynamism, The application of the leadership competencies in the organization should be supported by the global business strategies which identifies the systems and approaches required for a successful performance of a corporation (Cross et al., 2010).

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