EFFECT OF INDIVIDUALIZED CONSIDERATION ON ORGANISATIONAL PERFORMANCE OF STATE CORPORATIONS IN KENYA

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ABSTRACT
This study sought to find out the effect of individualized consideration on organisational performance of state corporations in Kenya. The study adopted a descriptive research design where the use of measures of central tendency such as mean and standard deviation was common. The study used primary data which was obtained from the original sources using a structured and semi-structured questionnaire and captured through a 5-point type Likert scale. The questionnaires were self-administered using the drop and pick method. The study used construct validity employing both convergent and discriminant validity dimensions. After quantitative data was obtained through questionnaires, it was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keyed into Statistical Package for Social Sciences (SPSS) version 24 for analysis. The statistics generated were descriptive statistics and inferential statistics. Microsoft excel was used to complement SPSS especially in production of figures and tables. More data on the performance of these 8 State corporations was collected from the division of performance contracting of the Ministry of Devolution and Planning, regarding the performance of these state corporations. The study found that there was a significant relationship between individualized consideration and organizational performance of state corporations in Kenya. The study recommended that Cabinet Secretaries who were the majority involved in appointing leaders of State corporations should take note of the critical role of transformational leadership in state corporations. Appointments, particularly of chairpersons of state corporations, should seriously consider the transformative configuration of the holder of this office. Political considerations should, therefore, be surrogate to transformational considerations.

Key words: Individualized Consideration, Organizational performance
INTRODUCTION

Kenya, like many other African countries, emerged from the structural adjustment programmes (SAPS) era of the 1980s both strained and scorched by the several reforms in public sector management. These programmes have been linked to the high rate of income inequality, inflation, unemployment, retrenchment, and so on, which have lowered living standards (Rono, 2002). Consequently, emphasis was then shifted to the introduction of New Public Management models in reform programmes of several, if not all public sector institutions, State Corporations included. The Public Sector reforms of 1993 were implemented in three phases. The first phase focused on cost containment, the second focused on rationalization of government ministries and departments, while the third, which was guided by Economic Recovery policy direction (DPM, 2004) adopted Performance Contracting (PC) in public service as a strategy for improving service delivery to Kenyans. Although the economy grew at an average of 5.4% during the period 2003-2007, this could not be sustained and quickly dropped to an average of 4.2% during the period 2008-2011 (Randa and Gubbins, 2013).

Globally, leadership research on transformational leadership has focused on the content and impact of leaders (Sahgal and Pathak, 2007). According to Sahgal and Pathak (2007), emphasis has been on qualities and dispositions of leaders; how they influence change in organizations and how they inspire followers to increase their performance, motivation, and morale. Inspiration and motivation are items of inspirational motivation, a construct of transformational leadership.

According to Mwambazambi and Banza (2014), although much of sub-Saharan Africa has been politically independent for the last 50 years, most of the nations of the continent have been facing issues of persistent dictatorship, poverty, corruption, selfishness, exploitation, tribalism, social injustices, neo-colonialism and aimless armed conflicts, which challenges call for transformational leadership in order to bring about effective transformation. Mentan (as cited in Mwambazambi and Banza, 2014) argues that the problem of unethical and exploitive sub-Saharan African leadership has been compounded and sustained by neo-colonial support to this leadership, poor self-leadership models of African leaders and lack of referral terms of efficient leadership development.

In the book on Challenging the Rulers: A Leadership Model for Good Governance, edited by Kwaka, Okombo, Muluka & Sungura-Nyabuto (2011), it is argued that one of the most widely held opinion the world over is that poor leadership has failed Africa. The book further records that development literature is awash with observations that Africa has enormous resources and, in fact, would be the next economic growth spot for the world economy. It is further argued that in Kenya, hardly a week passes without a headline related to leadership failure in the newspapers’ regular columns, occasional commentaries and letters to the editor. One comes across headlines such as, Famine Caused by a Leadership Draught, or Accidents Kill Hundreds of Kenyans as Leaders Plead with Drivers, or Poverty: Sign of Poor Leadership.

Statement of the Problem

According to the Budget implementation Review Report for the period 2012/2013, the performance of many State corporations in Kenya has been disappointing. The report gives an example where Ksh 1.93 billion was spent to service loan defaulted by three State Corporations (GoK, 2013). The Annual Public Debt Report 2011/2012, indicated that of the Kshs. 961.3 million payments by the Government on Guaranteed Debt in 2011/12, 95.6% was on debt accruing to two (2) State Corporations, pointing to significant defaults in
payments. As at June 2013, the status of publicly guaranteed debt for state corporations stood at Ksh 47,168.60 million.

According to the Parliamentary Public Investment Committee (GoK, 2011), Leaders in State corporations have failed to position these organizations for success. The report by Mwaura (2007) revealed that failure in state corporations is largely a function of weak leadership arising from the dependence of directors on political actors. Kihara, Yano & Mori (2013), concluded that commitment of leaders affects the process of implementing the performance systems in an organization to a great extent.

The report of the presidential taskforce on parastatal reforms (GoK, 2013b) points out a number of cases of complete leadership failure and missed opportunities from established state corporations. For instance, the Kenya Railways Corporation is a shell of its former self, despite its earlier significant role in Kenya’s wealth creation. The lack of leadership vision of what this entity could and should do has led to selection of sub-optimal choices that have cascaded negative effects into the wider economy, beyond the railways itself.

Research has shown that leadership effectiveness and motivation can contribute to growth and social good in Africa (Agulanna, 2006). Notwithstanding this finding, the concept of leadership effectiveness and motivation are poorly contextualised because the African perspective of leadership effectiveness and motivation are poorly articulated and understood (Senaji et al., 2014). Further, a limited number of studies have paid attention towards understanding the process of transformational leadership behaviour in enhancing organisational performance. The GLOBE study for instance presents just one page on sub-Saharan Africa in its book of studies and offers limited findings in its analysis of empirical data (House and Javidan, 2004).

It is against this backdrop that this study investigated the effect of individualized consideration on organisational performance of State corporations in Kenya.

Study Objective

The study sought to determine the effect of individualized consideration on organisational performance of State corporations in Kenya.

Hypotheses for the study

H₀: Individual consideration style of transformational leadership has no effect on organisational performance of State corporations in Kenya

Literature Review

The Leader-Member-Exchange (LMX) theory

The Leader-Member-Exchange (LMX) theory challenges the assumption that leaders treat followers in a collective way, as a group. The theory explains that the relationship between managers and their subordinates develops over time as a result of role-making processes and social exchange between them. A study by Krishnan (2005), on Leader-Member Exchange, Transformational Leadership, and Value System found out that LMX is positively related to transformational leadership, which in turn is positively related to terminal value system congruence.

The Krishnan (2005), study which made use of a sample of 100 pairs of managers and subordinates from a non-profit organization in the United States studied the four outcomes which are; perceived effectiveness of leader and work unit, follower satisfaction with leader, follower’s motivation to put in extra effort, and follower’s intention to quit the organization. Results of regression analyses using the forward option show that
transformational leadership is a stronger predictor of effectiveness, satisfaction, and extra effort than LMX and terminal value system congruence.

Due to its role-making processes between a leader and follower, this theory is closely linked to individual consideration where the coaching and mentorship are key ingredients, the follower is treated individually and learning opportunities are created.

Conceptual Framework

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
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<tbody>
<tr>
<td>Individual Consideration (IC)</td>
<td>Organisational Performance</td>
</tr>
<tr>
<td>- Coaching &amp; mentoring</td>
<td>- Service delivery</td>
</tr>
<tr>
<td>- Followers treated individually</td>
<td>- Customer Satisfaction</td>
</tr>
<tr>
<td>- Learning opportunities created</td>
<td>- ISO Certification</td>
</tr>
<tr>
<td>- Followers strengths developed</td>
<td>- Project Completion</td>
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<tr>
<td></td>
<td>- Rate</td>
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<tr>
<td></td>
<td>- Efficiency</td>
</tr>
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<td></td>
<td>- Improvements</td>
</tr>
</tbody>
</table>

Figure 1: Conceptual Framework

Individual Consideration

Individual consideration is concerned with developing followers by coaching and mentoring (Bass & Riggio, 2006). Followers are treated individually in order to raise their levels of maturity and to enhance effective ways of addressing their goals and challenges (Bass & Riggio, 2006). In individualized consideration (IC) transformational leaders pay special attention to each individual follower’s needs for achievement and growth by acting as a coach or mentor. Followers and colleagues are developed to successively higher levels of potential. Individual consideration is practiced when new learning opportunities are created along with a supportive climate. Individual differences in terms of needs and desires are recognized. A two-way exchange in communication is encouraged, and “management by walking around” workspace is practiced (Bass & Riggio, 2006).

Organisational performance

In recent years, Organisational Performance has been defined as comprising the actual output or results of an organization as measured against its intended goals and objectives. According to Richard et al. (2009) organisational performance encompasses three specific areas of firm outcomes; financial performance (profits, return on assets, and return on investment), product market performance (sales, and market share); and shareholder return (total shareholder return, and economic value added).

The conceptual domain of organisational performance can be specified only by relating this construct to the broader construct of organisational effectiveness. Organisational performance is defined as the economic outcomes resulting from the interplay among an organization’s attributes, actions, and environment (Combs et al., 2005). The definition of organisational performance corresponds to measurement practices in strategic management research because a majority of researchers assess organisational performance based on economic indicators (Richard et al., 2009).

Combs et al. (2005) propose a consistent organisational framework with three dimensions: accounting returns, stock market performance, and growth. Accounting returns are defined as the historical performance of organizations that is assessed through the use of financial accounting data as published in annual reports. Combs et al. (2005) argues for a single accounting returns dimension, whereas other studies identify several dimensions that are derived from accounting returns indicators. However, we expect at least two separate dimensions to be reflected by accounting returns indicators. First, a liquidity dimension, which is defined as a firm’s ability to meet its financial obligations based on cash flows generated from its current operations, is expected (Weygandt,
Kimmel, & Kieso, 2010). Second, a profitability dimension, defined as an organization’s efficiency in utilizing production factors to generate earnings, is expected.

**Empirical Review**

**Individual Consideration**

The study by Krishna (2011) examines the effects of transformational leadership on team performance and commitment. In this study, hypotheses are tested in two levels. First, correlations among transformational leadership, team performance, psychological empowerment and organisational commitment are analysed. In addition, to correlation analysis a series of regression analysis are conducted to test the hypotheses. Hierarchical regression analysis is also performed to test the mediating role of psychological empowerment. Results revealed a positive relation between transformational leadership and effectiveness, extra effort, satisfaction, and psychological empowerment. As against to expectation transformational leadership was not positively related to affective commitment, and normative commitment. In accordance with the hypothesis psychological empowerment was significantly related to affective commitment and normative commitment. When regression analysis is performed on individual items of transformational leadership, all the five items of transformation leadership are positively related with Perceived Control.

Obiwuru, et al. (2011), evaluated the effect of leadership styles on organisational performance in selected small scale enterprises. The major objective of this study was to determine effect of leadership styles on performance in small scale enterprises in Ikosi-Ketu Council development area of Lagos state, Nigeria. Transformational leadership behaviours and performance/outcome considered relevant in the study were charisma, inspirational motivation and intellectual stimulation/individual consideration; and effectiveness, extra effort and satisfaction, respectively. The study followed a survey design, and employed evaluative quantitative analysis method. Analysis was based on primary data generated through a structured MLQ administered on respondents. Responses to research statements were scaled and converted to quantitative data via code manual developed for the study to enable segmentation of the data responses into dependent and independent variables based on leadership behaviours and associated performance variables. OLS multiple regression models were specified, estimated and evaluated. The analysis has shown that, individualized consideration, exerts positive but insignificant effect on followers and performance.

According to Antonikis et al. (2003), prototypical leadership behaviours may differ depending on the organisational levels at which leadership is observed. At low hierarchical levels, individualized consideration could be more evident than at higher hierarchical levels (Antonakis et al., 2003). Furthermore, lower-level leadership could be characterized as being more task focused than higher-level leadership that scopes out the strategy or vision for an organization suggesting more active management-by-exception behaviours at lower levels.

Parry and Proctor (2002), on their study on perceived integrity of transformational leaders in organisational settings found out that a moderate to strong positive relationship exists between perceived integrity and the demonstration of transformational leadership behaviours. A similar relationship was found between perceived integrity and developmental exchange leadership. A systematic leniency bias was identified when respondents rated subordinates vis-à-vis peer ratings. In support of previous findings, perceived integrity was also found to correlate positively with
leader and organisational effectiveness measures. According to Parry and Proctor (2002), it is this very factor at the core of transformational leadership, that some scholars believe contributes to its potential to be unethical.

Burke and Collins (2001), reveal that females are more likely than males to be Transformational Leaders. Females had a higher perceived effectiveness in three management skills: coaching and developing and communicating. Female receive more developmental opportunities than male colleagues. Layraman (2004) finds that Transformational Leadership has been identified as one leadership style which data suggests is indicative of success for women leaders and managers in organisations. Leaders who demonstrated a Transformational Leadership style tended to motivate their subordinates to work hard within their organisations. This style of leadership was therefore beneficial within their organisations.

Organisational Performance

A number of studies have concluded that transformational leaders are more likely to influence organisational performance than their less transformational counterparts. For example, Agle, et al. (2006) argued that transformational CEOs will influence firm performance because of their ability to overcome the inertial forces that impair firms from successfully adapting to a dynamic environment. Similarly, Waldman, Javidan, and Varella (2004) observed that such leaders can induce organisational members to constantly anticipate and adapt to environmental change. Still others have asserted that firm performance should be enhanced as transformational CEOs exhibit enthusiasm for innovation and show how volatility in the firm’s competitive environment can be turned into a vision of opportunity (Avolio, Zhu, Koh, & Puja, 2004).

Ling, Simsek, Lubatkin & Veiga, (2008), found that Transformational CEOs had a significant, direct effect on both objective and perceived time-lagged measures of firm performance. In addition, given that the magnitude of the correlation between the two performance measures was modest (r = .24, p <.01), these findings suggest that although the measures may be capturing different, yet complementary, aspects of firm performance, both objective and perceived firm performance are influenced by transformational CEOs. Moreover, further attesting to the robustness of their findings, both performance measures were consistently influenced in the same way in all but one of their statistical tests.

Boonyachai (2011), while carrying out an investigation of the leadership styles of middle managers in the Thai hotel industry using the MLQ (5X-Short Form) and Hofstede’s Cultural Dimensions, concluded that the marginally dominant leadership style in the survey of 4/5 star hotel middle managers is Hybrid T/T Leadership. Next comes Transformational Leadership and Laissez-Faire Leadership. Hybrid T/T managers have the highest means of idealised attributes, inspirational motivation, intellectual stimulation, and individual consideration. Transformational Leaders and Transactional Leaders are appropriate leaders for the Thai hotel industry because the leaders are able to convince their associates to try for higher levels of potential, as well as higher moral and ethical standards (Bass & Avolio, 2004). In all these, no study focused on State corporations. Therefore, this study represents an investigation of the leadership styles of Kenyan State Corporations. The parastatal reform secretariat and managers of state corporations can adapt the results of this research to their work situations once completed.

Kaur (2012), in his study on Transformational and Transactional Leadership Behaviour in Selected
Public and Private Sector Banks in Chandigarh, determined that the perception of employees towards transformational leadership behaviour does not differ but this is not the case in transactional leadership behaviour, in which employees of public sector banks have more positive perceptions than employees of private sector banks. More concisely, employees of public sector banks perceive more positively towards charisma and Intellectual Stimulation dimensions of Transformational leadership and Management by exception dimension of Transactional Leadership than employees of private sector banks. Further, it was found that there are no differences between public and private bank employees towards leadership behaviour as far as different gender, age group, qualification and level of management categories are concerned. Although there are differences in the case of marital status and work experience as married employees show more positivity towards leadership behaviour than unmarried employees and employees having work experience of more than 15 years, these are significantly more positive about leadership behaviour than the other groups.

Mwaura (2007), in the article titled “The failure of Corporate Governance in State Owned Enterprises and The Need for Restructured Governance in Fully and Partially Privatized Enterprises”, argues that the initiatives adopted in order to make State Corporations more efficient are inadequate and will not realize the intended objectives unless the chief executives of State Corporations are hired on a competitive basis, given more autonomy and the government is committed not only to designing performance contracts that set realistic standards, but also enforcing them strictly. The study contends with the fact that there is a need to streamline the multiple regulations that govern State Corporations and reform the corporate regulatory framework of the private sector in order to raise standards of corporate governance and, as a result, ensure that the privatized services are managed prudently. The study argues that Directors of State Corporations are not able to perform efficiently because the government does not practice effective corporate governance. The study looks at failure from the lens of skewed appointment of Directors; the fact that some state corporations are supplementing the private sector instead of playing their own roles; the absence of a clear remuneration structure; the lack of autonomy; overlapping regulations; fraudulent transactions and conditions imposed by lending agencies.

Chan and Chan (2005), on their research on impact of Perceived Leadership Styles on Work Outcomes, empirically evaluated the transformational and transactional leadership styles among building professionals in the construction industry. This was part of a large-scale research project undertaken by the writers. Bass’s transformational leadership theory reported in 1985 was employed and tested in a sample of 510 professional employees from a cross section of qualified building professionals selected from four countries. The main objectives of the study include the examination of the extent to which leaders who are perceived as either transformational and transactional; the identification of which of the two leadership styles is best able to predict outcomes of leader effectiveness, extra effort by employees, and employees satisfaction with the leaders; and offering insight into the management theory for building professionals in business organizations. Results of the study suggest that all five of the transformational factors and three of the transactional factors are significantly correlated with leadership outcomes of leader effectiveness, extra effort by employees, and employees' satisfaction. The results further supported the fact that transformational leadership could augment
transactional leadership in producing greater amounts of performance and satisfaction.

Research Methodology
This study adopted both descriptive and quantitative approaches. The study used the positivism philosophy since it is a survey research study; it focused on the descriptive, relational and causal aspects of the research study variables. According to Burke (2007), interpretive paradigm is used to understand the World of human experiences. A population is any complete group, and a population element refers to an individual member of the population (Zikmund, 2003). The leaders from all State corporations formed the population for this study. These are the high-level employees in state corporations who are involved in organisation wide decision making. They included top management team, managers, managing directors, General managers, departmental leaders and their deputies; lecturers, Vice Chancellors and their Deputies, and Chief Executive Officers. The total number of leaders in state corporations is estimated at 5,140. A total of 165 leaders provided feedback for this study. For the measurement of leadership attributes, and leadership outcomes, a 16 items structured Questionnaire was used for data collection. A pilot test was conducted in the Kenya Bureau of Standards and Coast Water Services Board. This enabled the researcher test for reliability and validity of the instruments

Study Findings
Individualised Consideration
Individualised consideration was measured by four questions focusing on coaching and mentoring, followers treated individually, learning opportunities created, followers’ strengths developed. The respondents were asked give their opinion regarding individualised consideration and organizational performance in state corporations. Specifically, they were asked to rate on a scale of 0=Not at all, 1= Once in a while, 2=Sometimes, 3= Fairly Often and 4=Frequently, if not always. The analysis was presented on Table 1.

According to results in Table 1, majority of the respondents who represented 50.9% of the respondents indicated that their leaders fairly often spent time teaching and coaching, 29.2% indicated that their leader frequently, if not always spent time teaching and coaching. 31.7% of the respondents agreed that their leaders frequently, if not always treated them as individuals rather than just as a member of a group, 32.3% indicated fairly often. 35.3% indicated that their leaders fairly often considered them as having different needs, abilities, and aspirations from others. Finally, 21.7% indicated that their leaders frequently, if not always helped them to develop my strengths while 39.8% indicated fairly often.

On a five-point scale, the average mean of the responses was 2.66 which mean that majority of the respondents indicated fairly often response; however, the answers were varied as shown by a standard deviation of 1.28. The highest of the mean was 4 while the lowest was 0.
Table 1: Individualised Consideration

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>Once in a while</th>
<th>Sometimes</th>
<th>Fairly Often</th>
<th>Frequently, if not always</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spends time teaching and coaching</td>
<td>3.7%</td>
<td>5.0%</td>
<td>11.2%</td>
<td>50.9%</td>
<td>29.2%</td>
<td>2.97</td>
<td>0.97</td>
</tr>
<tr>
<td>Treats me as individuals rather than just a member of a group</td>
<td>13.0%</td>
<td>13.0%</td>
<td>9.9%</td>
<td>32.3%</td>
<td>31.7%</td>
<td>2.57</td>
<td>1.39</td>
</tr>
<tr>
<td>Considers me as having different needs, abilities, and aspirations from others</td>
<td>23.4%</td>
<td>13.3%</td>
<td>3.4%</td>
<td>35.3%</td>
<td>14.6%</td>
<td>2.94</td>
<td>1.38</td>
</tr>
<tr>
<td>Helps me to develop my strengths</td>
<td>12.4%</td>
<td>16.1%</td>
<td>14.3%</td>
<td>35.4%</td>
<td>21.7%</td>
<td>2.38</td>
<td>1.32</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>2.66</strong></td>
<td><strong>1.28</strong></td>
</tr>
</tbody>
</table>

Organizational Performance

Organizational performance was measured by five questions focusing on service delivery and operations. The respondents were asked to give their opinion on organizational performance of state corporations in Kenya. Specifically, they were asked to rate on a scale of 1=Strongly Disagree, 2=Disagree, 3=moderately agree, 4=Agree and 5=Strongly Agree. The analysis is presented on Table 2.

According to results in Table 2, majority of the respondents who represented 60.9% agreed that there was improved service delivery and service delivery innovations, 77.6% agreed that customer satisfactions feedback have improved over time due to better resolution of public complains, 78.9% of the respondents agreed that the organization had been ISO certified as a result of improved automation of services, 77.7% of the respondents agreed that project implementation completion rate had improved over time, while 64.0% of the respondents agreed that project implementation cost efficiency had been on the upward trend.

On a five-point scale, the average mean of the responses was 3.78 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.10. The highest of the mean was 5 while the lowest was 1. Therefore, average mean of the responses was 3.84 mean that majority of the respondents agreed with most of the statements.

Table 2: Organizational Performance

<table>
<thead>
<tr>
<th>Statements</th>
<th>1=Strongly Disagree</th>
<th>2=Disagree</th>
<th>3=Agree</th>
<th>4=Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is improved service delivery and service delivery innovations.</td>
<td>9.3%</td>
<td>12.4%</td>
<td>17.4%</td>
<td>32.3%</td>
<td>28.6%</td>
<td>3.58</td>
</tr>
<tr>
<td>Customer satisfactions feedback have improved over time due to better resolution of public complains.</td>
<td>3.7%</td>
<td>8.1%</td>
<td>10.6%</td>
<td>5.34%</td>
<td>24.2%</td>
<td>3.86</td>
</tr>
<tr>
<td>The organization has been ISO certified as a result of improved automation of services.</td>
<td>9.3%</td>
<td>5.0%</td>
<td>5.6%</td>
<td>11.8%</td>
<td>11.7%</td>
<td>3.85</td>
</tr>
<tr>
<td>Project implementation completion rate has</td>
<td>5.0%</td>
<td>2.5%</td>
<td>9.3%</td>
<td>35.5%</td>
<td>23.0%</td>
<td>3.81</td>
</tr>
</tbody>
</table>
improved over time.
Project implementation cost Efficiency has been on the upward trend

<table>
<thead>
<tr>
<th></th>
<th>13.0%</th>
<th>13.0%</th>
<th>9.9%</th>
<th>32.3%</th>
<th>31.7%</th>
<th>3.57</th>
<th>1.39</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average</strong></td>
<td>3.78</td>
<td>1.10</td>
<td></td>
<td></td>
<td></td>
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</table>

**Hypothesis Testing: Individualized Consideration and Organisational Performance**

The null hypothesis was that individual consideration style of transformational leadership has no effect on organisational performance of State corporations in Kenya. The hypothesis was tested by using the ordinary least square regression. Results showed that the p-value was 0.000<0.05. This indicated that the alternative hypothesis was accepted hence Individual consideration style of transformational leadership has no effect on organisational performance of State corporations in Kenya.

According to Antonakis et al. (2003), prototypical leadership behaviours may differ depending on the organisational levels at which leadership is observed. At low hierarchical levels, individualized consideration could be more evident than at higher hierarchical levels (Antonakis et al., 2003). Furthermore, lower-level leadership could be characterized as being more task focused than higher-level leadership that scopes out the strategy or vision for an organization suggesting more active management-by-exception behaviours at lower levels.

**Conclusions and Recommendations**

The study sought to investigate the effect of individualized consideration on organisational performance of State corporations in Kenya.

The study established the relationship between individualised consideration and organisational performance, by testing the null hypotheses. The hypothesis stated that individual consideration has no effect on organisational performance of State corporations in Kenya.

Ordinary least squares regression was carried out to determine the relationship between individualised consideration and organisational performance. The results of coefficients estimates were significant at the 0.05 level of significance. This indicated that the hypothesis was rejected hence there exists a significant and positive relationship between individualised consideration and organisational performance of state corporations in Kenya.

**Conclusions**

From the results of this study, individualized consideration was displayed by leaders in State Corporations, with 3 observed constructs loading into two latent variables. According to this study, leaders in State corporations spend time teaching and coaching followers, and help followers to develop their own strengths. Besides, leaders treat each follower as an individual rather than just a member of the organisation. With this finding, it is safe to conclude that the quality of teaching and coaching that followers receive is inadequate and perhaps inappropriate for the needs of State Corporations in Kenya. This calls for a review of the type and quality of teaching and coaching that employees of State corporations in Kenya receive. The extent to which leaders help followers to develop their strengths comes into sharp focus in this study. It is also safe to conclude that leaders treating followers as individuals rather than just members of the organisation, may not be translating into substantial improvement in the performance of state corporations in Kenya.

**Recommendations**

The study is a justification of the fact that a state corporation whose leaders are individually considerate of their followers will steer their
organisation to be more effective. Company directors of medium sized and large enterprises should possess transformational leadership skills in order for them to effectively plan, organize and control their enterprises. This will lead to improved performance and ultimately lead to the expansion of the entire economy. Policy makers should prepare policy instruments to protect the transformational leadership agenda. Political leaders must start to embrace transformational leadership in their legislative agenda. Leadership must entail collaborative action with the ambition of generating political, social, or economic change at the most fundamental level. Planning and budgeting, for instance, particularly in low income countries, will require at the forefront, truly tested transformational leaders. Researchers should take up this study, critique it, and make more recommendations for improvements in transformational leadership.

Areas for Further Research

In future, it is recommended that research be done to address the limitations of this study. This study considered only state corporations in Kenya, future researchers could consider carrying out a similar study in a different sector or sectors to assess any variation in responses. It would be interesting to explore how the results obtained when the methods applied in this study are applied in other contexts for example in other countries at higher or lower stages of development. It would be worthwhile establishing the extent to which the findings of this study are generalizable to other industries, sectors or settings.

Future researchers could also introduce different variables other than the ones used and test for moderation or mediating effect of such variables on the relationship between individualized consideration and financial performance. Studies using other additional variables, such as organization culture, government regulation as moderators or mediators can be carried out to gain further insights into the relationship.

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