



EFFECT OF STRATEGIC LEADERSHIP PRACTICES ON PERFORMANCE OF YOUTH OWNED ECONOMIC ENTERPRISE IN DEVOLVED GOVERNMENT IN KENYA. A CASE OF THARAKA-NITHI COUNTY

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ABSTRACT

Strategic leadership practice is paramount in leading 21st century organizations due to the unpredictable operating environment which is becoming more and more volatile, uncertain, complex and ambiguous. This study sought to examine the effect of strategic leadership practices on performance of youth owned economic enterprise in devolved government in Kenya. A case of Tharaka-Nithi County. More precisely, the study sought to examine the effect of determining strategic direction on performance of Youth owned economic enterprises. Data collection instruments were the survey questionnaires for quantitative data and interviews where guided for qualitative data. Data collection procedure was done through use of research assistants and drop-and-pick strategy was applied in the data collection. For the qualitative data, interviews were conducted by the researcher using face-to-face strategy. Data was processed using SPSS version guided by the specific research objectives and the research hypotheses. The study recommended for effective performance of effect of strategic leadership practices on performance of youth owned economic enterprise in devolved government in Kenya. A case of Tharaka-Nithi County. That the Training on importance of strategic leadership to be continuous and there should be incentive to those who practice strategic leadership. Whereas the researcher dealt with the above factor that affect strategic leadership practices on performance of youth owned economic enterprise in Tharaka-Nithi County there need to be more areas to be looked and relooked in Tharaka-Nithi County and in Kenya wholly and there is need to use other methods of study to see whether the same result can be realized.

Key Words: Strategic Direction, Youth Owned Economic Enterprises, Tharaka-Nithi County

INTRODUCTION

Business world has been swiftly changing more than ever before. Factors such as competition, globalisation and technology have reshaped the environment which modern businesses thrive. To address this kind of environment, businesses require leaders with adequate capabilities. Strategic Leadership is the managerial ability to expect, predict, keep flexibility, and endow others to generate strategic change where appropriate (Robbins et al, 2010). Strategic leaders understand the current state of available markets, how to structure their products to serve the market competitively, the health of their organisation and the presence of capital, how to determine the needs of the different sections of an organisation, how to manage change in various states, how to use accountability and power, and ways to develop an optimum leadership team with adequate skills and competencies (Harris, 2008). Strategic leadership is one of key determinants of performance of an organisation through strategic decision-making, determining organisational structure and managing the organisational process.

Strategic leadership is acknowledged as one of the main research directions in mainstream strategic management Malewska (2014).Robinson (2007) view strategic management as “the set of decisions and actions that result in the formulation, implementation, and control of plans designed to achieve an organization’s vision, mission, and strategic objectives”. Although strategy formulation comes before implementation, strategy implementation is a very important part of the process of strategic management Hunger (2008). Daft (2009) states that even the most creative strategies have no value if they cannot be translated into action.

Strategic leadership as a concept is viewed as the capacity to forecast, envisage, change according to

the demand of different situations and capacitate employees to make a strategic adjustment to bring a new way of conducting processes within the organization to attain success within the organization Hoskisson (2004). Rowe (2001) views leading strategically as the capacity of making decisions that can influence the employees to at will make or take actions that in the long term will shape the organization for success but at the same time maintain short term attainment of the goals.

The people of Tharaka-Nithi County are now predominantly Christian with the Catholics, the Presbyterian, and the Methodists being the predominant religious communities. Like Other Counties surrounding Mount Kenya, the primary economic activities in Tharaka-Nithi County are tea and coffee planting, subsistence dairy farming, as well as keeping of other livestock such as goats and sheep. The vast majority of the general population in Tharaka-Nithi County who are youth are in outright neediness (PRSD, 2005).Youth who comprises of big population in the county inhabitants have no formal training and managing their business but coming of Youth fund in the county this has uplifted their spirit in accessing fund to enable them to re-group and do business (KNBS REPORT, 2016).

LITERATURE REVIEW

Trait Leadership Theory

The major works that behind the trait theories are by Stogdill in 1948 and in 1974; Mann in 1959; Kirkpatrick in 1986 and Lord in 1991. These studies show that a trait theory was prominent in in the early and late 90s. During the period between 1920’s and 1930’s, a lot of leadership research focused on the traits that differentiate leaders from non-leaders. Trait theory is one of the earliest leadership theories and it focuses on what an effective leader is and not what an effective leader does.

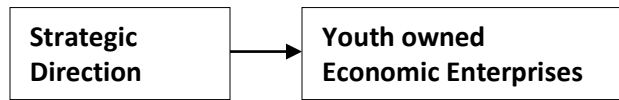
Managerial Leadership Theory

The origin of managerial leadership theory can be traced to the research of Robert Blake and Jane Mouton in 1964 and also in 1978. This theory is based on the behavioural school of thought that assumes that people could be trained to be leaders and that training programs could be developed to change managers' leadership behaviours and also that the best styles of leadership could be learned (Northouse, 2013).

Path-Goal Leadership Theory

The path-goal leadership theory is credited to the works of Martin G. Evans in 1970. This theory was refined in the following year by Robert J. House in 1971. The proponents of the path-goal theory argue that followers are motivated in a task by the high level of self-efficacy, belief that their efforts result in a certain outcome or reward and belief that an outcome or reward is worthwhile (Bhatia, 2009). The role of the leader in this theory is to motivate followers by rewarding performance and goal accomplishment. According to Northouse (2013) effective leadership occurs when the leader accurately diagnosis the development level of subordinates in a task situation and then exhibits the prescribed leadership style that matches that situation.

Conceptual Framework



Independent Variables Dependent Variable

Figure 1: Conceptual Framework

Source: Author (2018)

METHODOLOGY

A target population is the total collection of all units of analysis which a researcher wishes to consider for specific the intended study (Babbie, 2015). Before starting a research, the research had to identify the target population for the study. In this study, the target population consisted of all the 1475 youth owned enterprises in Tharaka-Nithi County (East African Not-for-Profit Organization Directory, 2015/2016).

RESULTS

Strategic Direction

The regression of the Strategic Direction, on dependent variable Kenya was performed. The results showed that Mission statement, Strategic Vision development and Objective and Expectations had a significant direct effect on strategic leadership practices on performance of youth owned economic enterprise. In the table below the linear relationship between the variables was shown. The equation for this model was:

Effect of strategic leadership practices on performance of youth owned economic enterprise = 2.438 + 0.273* Mission statement - 0.112* Strategic Vision development + 0.285 Objective and Expectations

Table 1: Strategic Direction

Model	Unstandardized Coefficients		Standardized Coefficients		
	Beta	Std. Error	Beta	T	Sig.
(Constant)	2.438	0.28	-----	8.703	0
Mission statement	0.273	0.056	0.339	4.886	0
Strategic Vision development	0.285	0.058	0.591	4.887	0
E Objective and Expectations	-0.112	0.047	-0.236	-2.389	0.018

Source: Calculated with the researchers survey data (2018)

In the model summary we find that 32.6% of Effect of strategic leadership practices on performance of youth owned economic enterprise can be

accounted for by Mission statement, Strategic Vision development and Objective and Expectations the adjusted R square is 0.294.

Table 2: Model on Strategic Direction and Effect of strategic leadership practices on performance of youth owned economic enterprise

Model Summary					
			Adjusted Square	R	Std. Error of the Estimate
1	0.571 ^a	0.326	0.294		.45298

Source: Calculated with the researchers survey data (2018)

SUMMARY

On the question, what extent does determining strategic direction affect performance of youth owned economic enterprise?, Ninety-five percent of the respondents were of the view that strategic direction was essential for efficient performance of youth owned economic enterprise of these respondents 70% were those who run these enterprises while 30% were policy makers that gave direction to these enterprises. Clearly, the data showed that performance of youth owned economic enterprise was greatly influenced by strategic direction.

CONCLUSIONS

From the findings mentioned earlier, it was concluded that strategic direction affect strategic leadership practices on performance of youth owned economic enterprise in Tharaka-Nithi County. Many of the respondents thought there should be more strategic leadership support on the issue of strategic leadership practices on performance of youth owned economic enterprise in Tharaka-Nithi County.

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RECOMMENDATIONS

For effective performance of strategic leadership practices of youth owned economic enterprise in Tharaka-Nithi County the following recommendations were made.

- Training on importance of strategic leadership to be continuous.
- There should be incentive to those who practice strategic leadership

Recommendations for further research

- The researcher dealt with only the above four factors that affect strategic leadership practices on performance of youth owned economic enterprise in Tharaka-Nithi County there need to be more areas to be looked and relooked in Tharaka-Nithi County and in Kenya wholly
- There is need to use other methods of study to see whether the same result can be realized.
- This research was concentrated in Tharaka-Nithi County, there is need to have a wider research on the topic covering a wider area to compare the findings.

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