

Transformational Leadership and Organizational Performance of Parastatals in Uasin Gishu County, Kenya

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Abstract: Transformational leadership is a major determinant of organizational success. Organizational leaders have adopted transformational leadership in order to inspire and motivate followers to achieve greater organizational outcomes through idealized influence, inspirational motivation, intellectual stimulation and individual consideration. This is especially the case in parastatals that are operating in a challenging socioeconomic environment such as Kenya. By adopting the transformational leadership it is expected that the parastatals may enhance efficiency, productivity, service quality and stakeholder satisfaction. In spite of the adoption of a variety of leadership styles including transformational leadership, parastatals still appear to be struggling in achieving their performance goals. Therefore, the objective of the paper was to determine the effect of transformational leadership on organizational performance of parastatals in Uasin Gishu County, Kenya. The paper was anchored on the upper echelon theory and embraced the explanatory research design. Data was analyzed using means and standard deviation and the hypothesis tested using simple regression analysis. The paper concludes that transformational leadership significantly affects the organizational performance of the parastatals in Uasin Gishu County. However, the paper was based on a cross sectional approach and considered only parastatals, making the findings cautiously generalizable to private organizations or public organizations in other sectors of the economy. The paper recommends that the management of parastatals should embrace the various components of the transformational leadership such as idealized influence, inspirational motivation, intellectual stimulation and individual consideration to enhance organizational performance of the parastatals. Finally, the results of the study provide insights to policy makers, practitioners and academia.

Keywords: Organizational performance, Uasin Gishu County, Parastatals, Transformational Leadership

1.0 Introduction

Globally, organizations operate in a complex environment characterized by conflicting internal interests and external influences. As a result organizational performance is dependent on a variety of issues including transformational leadership. Irrespective of the nature of the organization, however, transformational leadership is an important determinant of organizational success. Therefore, organizations that seek to succeed in this volatile environment must embrace transformational leadership. Transformational leadership is perceived as encompassing the leadership ability to explore and exploit the organizational core capabilities, managing the human and social assets and inculcating a sustainable organizational culture (Quigley & Graffin, 2017). Shoemaker and Krupp (2015) contend that transformational leadership is concerned with the possession of unique abilities that allows for the absorption of new information and ideas, as well as having the adaptive capacity to appropriately respond to the dynamism and complexity of the external environment. Quigley and Graffin (2017) have conceptualized transformational leadership as the ability of the top management to anticipate, envision and empower others to create transformational change in the organization. Nayab (2021) observes that transformational leadership is the form of leadership that creates the valuable and positive change in the followers with the end goal of developing the followers into leaders. This form of leadership affects the follower's performance by developing strong bond and emotional connection between the supervisor and the follower in such a way that the follower feels more confident to perform beyond organizational expectations. In this paper transformational leadership was conceptualized in terms of the intellectual stimulation, individualized consideration, idealized influence and inspirational motivation (Nayab, 2021) which are considered to be significant in enhancing organizational performance.

Organizational performance has been conceptualized differently by different scholars. However, most scholars concur that organizational performance involves a set of financial and nonfinancial indicators which offer information on the degree of achievement of organizational objectives. For instance, Riaz and Haider (2020) considered organizational performance in terms of the traditional performance metrics such as return on

investment, earning power, and sales revenue while Singh (2022) assessed performance in terms of organizational effectiveness, customer satisfaction, operational effectiveness, corporate social responsibility and business performance. However, a critical review of the definitions of organizational performance indicates a bias towards return on assets (ROA) or return on investment (ROI), yet organizations often are concerned about the non-financial aspects of organizational performance. Hence, the concept of organizational performance can be viewed narrowly as well as broadly to include both the financial and the non-financial components of the organization (Singh, 2022) that enable transformational leadership to evaluate the extent of the accomplishment of organizational goals. As a result, organizational performance in this study was conceptualized in terms of efficiency, productivity, quality of service and stakeholder satisfaction as these are the primary mandate of parastatals in Kenya.

The State Corporation Act Cap 446(2023) of Kenya defines a parastatal as a state corporation established via an Act of Parliament or by the order of the president to carry out a significant role in the provision of public service delivery. The parastatals span various sectors, including education, healthcare, agriculture, infrastructure, energy, environmental management and finance. In Uasin Gishu County of Kenya there are many parastatals, each playing a unique role in the county's development. This dynamic array of parastatals in the county not only provides essential services but also offers a spectrum of opportunities for research, innovation and improvement in public service delivery. Hence, the leadership capacity of these parastatals is often associated with the extent to which they fulfill their mandate. Although measures have been taken to enable the parastatals to promote socioeconomic development, many parastatals are still characterized by inefficiency and resource mismanagement (Mati, 2020).

To be effective, the parastatals ought to adopt transformational leadership. However, the adoption of transformational leadership does not only ensure that the parastatals carry out their expressed mandate effectively but also enhance overall performance. Meanwhile, there have been concerns about the deteriorating performance of the parastatals in spite the adoption of transformational leadership. This concern is particularly pronounced in parastatals in Uasin Gishu county where it is not clear whether transformational leadership improves the performance of the parastatals or not. Past studies on the performance of the parastatals have presented mixed results as some studies show that transformational leadership improves organizational performance of parastatals while others show that there is no change in organizational performance even in parastatals that have embraced transformational leadership (Mati, 2020). These mixed results presented a need to examine further the effect of transformational leadership on organizational performance. Therefore, the paper examined the effect of transformational leadership on organizational performance of parastatals in Uasin Gishu County, Kenya.

2.0 Literature Review

2.1 Theoretical Review

The paper was based on the Upper Echelon Theory (UET) pioneered by Hambrick and Mason. The theory states that transformational choices in the organization are determined and shaped by the behaviour and characteristics of the dominant actors within the organization, particularly the top executives. UET provides a framework through which organizational outcomes can partially be predicted. UET posits that organizations essentially become a reflection of their top executives, as their decisions shape organizational strategies and operational approaches adopted. Hence, the central tenet of UET is that the transformational choices made often reflect the values and cognitive bases of the powerful actors. The values and cognitive bases of such actors are a function of their observable characteristics and as a result organizational outcomes are associated with the observable characteristics of the actors. Hence, the organization and its performance is a reflection of the top managers and this proposition provided a basis for studying the underlying transformational leadership dynamics.

The significance of UET has been supported in literature. For example, Ter-Bogt and Scapens (2012) contended that parastatals tend to change with comparable forms of authority, structure and roles while Oppong (2014) measured the underlying psychological traits of the top executives to determine whether or not they related to the performance of organizations. However, most studies have taken the demographic approach rather than the psychographic orientation with the emphasis on being on the age, functional background, education, tenure, and similar variables of the top leadership. Nevertheless, the relevance of UET lies in its emphasis on the critical role of top executives' leadership in shaping organizational performance. This emphasis aligned with the paper's focus of examining the effect of transformational leadership on the performance of parastatals in Uasin Gishu County.

2.2 Transformational Leadership and Organizational Performance

Previous studies have examined the effect of transformational leadership on organizational performance.

For example, in a study based on the manufacturing firms in Pakistan, Kalsoon, Khan and Zubair (2022) examined the effect of employee motivation on the performance of the manufacturing firms as moderated by brand loyalty. The paper was based on a descriptive design with the stratified sampling employed in selecting a sample of 312 respondents from a target population of 857 employees. The questionnaires were employed in data collection and the data obtained was analyzed using correlation and regression analysis. On its own, employee motivation was found to be positively correlated with the performance of the manufacturing. However, the study cannot be argued to provide conclusive evidence pertaining to the relationship between transformational leadership and performance considering that it was based on the performance of the manufacturing firms and considered only employee motivation as an attribute of transformational leadership.

Similarly, Putri and Herawati (2022) conducted a study on organizational leadership and the competency of human resource as predictors of organizational performance in state-owned enterprises in Bukittinggi City, Indonesia. The study adopted quantitative methods and sampled the respondents using the purposive sampling procedures. A total of 55 respondents participated in the study. While considering the questionnaire as the preferred data collection tool with the consequent use of the regression analysis to analyze data, the outcome of the investigation averred that both organizational leadership and the competency of human resource related significantly with organizational performance. However, the study created a contextual gap as it was domiciled in the Bukittinggi City, Indonesia and the outcome may not apply in the context of parastatals in Uasin Gishu County, Kenya.

Regionally, Ezenwa (2022) scrutinized the purported link between leadership management and the success of state owned parastatals in the Ibadan state of Nigeria. The study adopted a sample of 208 study participants who were randomly selected from 10 parastatals. With the adoption of Pearson's correlation and multiple regression analysis to analyze the data, the results illustrated a significant association between leadership and organizational success. This suggested a possibility that transformational leadership could contribute to improved performance of parastatals. However, the results could not apply in the current study because the study did not use the explanatory design to examine the effect of transformational leadership on organizational performance in Kenya.

Nyasha (2014) investigated the effect of transformational leadership on consumer perception of organizational effectiveness of local banks in Zimbabwe. The stakeholders' theory was adopted to guide the study. Also a mixed research methodology was adopted hence the combination of qualitative and quantitative data. The study used a sample size of thirty customer representatives and five staff members of a local bank. Data was analyzed and interpreted on the basis of the research objectives and research questions. Based on the analysis, the study established that transformational leadership had positive effect on consumers' perceptions of effectiveness which could be used to gain competitive advantage. The study concentrated on organizational effectiveness as opposed to the current study which focused on transformational leadership.

In Kenya, Asimwe and Sikalie (2022) examined the effect of transformational leadership on the financial performance of Small and Micro Enterprise. Using semi-structured questionnaires to collect data, the study was anchored on the descriptive survey design and was guided by the resource based theory. Primary data was collected from 101 purposively selected middle and senior level managers. The result showed that transformational leadership had a significant effect on the performance of the SMEs. Although the results are significant they cannot be applied in the present study because the focus was on SMEs and not parastatals or government agencies.

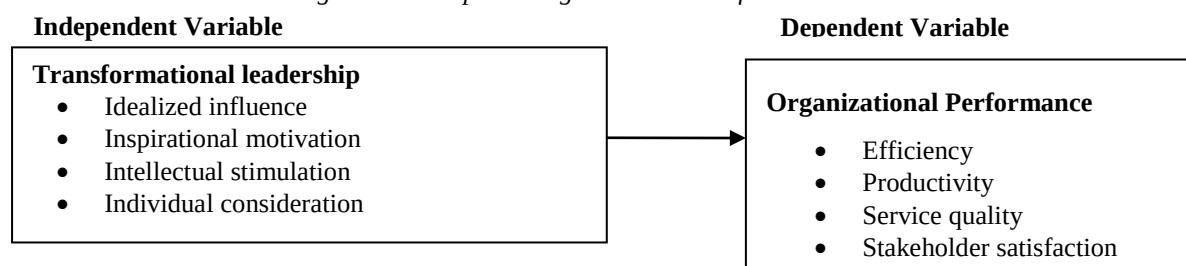
In a related study, Kamau (2022) examined the perceived connection between differentiated leadership and performance of non-governmental organizations in Kenya. Differentiated leadership was defined as a form of leadership in which the regional branches operated autonomously from the global offices. The study focused on international NGOs based in Nairobi County. A sample size of 11 managers was purposively selected to participate in the study. A 5-point Likert scale questionnaire was used to gather data which was analyzed using regression analysis. The study found that differentiated leadership structure was preferred to customize service delivery. The findings further postulated that leadership played a major role in accelerating service delivery. However, the study did not unpack the differentiated leadership in terms of transformational leadership as was done in this study.

2.3 Conceptual Framework

The conceptual framework explains the relationship between the independent variable and the dependent variable (Zhang, 2015). The independent variable was transformational leadership while the dependent variable was organizational performance. The relationship between the variables is shown in Figure 1.

Figure 1:

The interaction between Strategic Leadership and Organizational Performance



Source: Own Conceptualization

Figure 1 presents the interaction between the variables. The independent variable was transformational leadership operationalized in terms of idealized influence, inspirational motivation, intellectual stimulation and individual consideration. This predictor variable was analyzed to determine its effect on organizational performance of parastatals. The parameters of organizational performance were efficiency, productivity, quality of service and stakeholder satisfaction. In the context of this study, transformational leadership was conceptualized as enhancing the performance of the parastatals. Hence, paper ascertained the extent to which transformational leadership enhanced organizational performance of parastatals.

3.0 Methodology

The paper adopted the explanatory research design to help determine the extent and nature of cause-effect relationship between the variables (Carvajal & Hardigan, 2022). The explanatory research design was considered suitable because it enabled the researcher to predict the hypothetical occurrences of the outcome variable as a result of transformational leadership. The design also allowed the researcher to generate the numerical data used to ascertain the relationship between the study variables. The study targeted 31 parastatals in Uasin Gishu County. Based on the relatively small target population, a census was taken and all the chief executive officers and managers who provided data regarding transformational leadership and organizational performance.

Data was collected using the questionnaires that comprised of closed ended Likert scale type of items. Data was analyzed using both the descriptive statistics (means and standard deviations) and inferential statistics (regression and correlation analyses). The hypothesis tested stated that there was no significant effect of transformational leadership on organizational performance of parastatals in Uasin Gishu County. The simple regression analysis was used as displayed in the model: $Y = \beta_0 + \beta_1 X_1 + \epsilon$ Where: Y: Organizational Performance; β_0 : is the constant; β_1 is the standardized (beta) coefficient; X_1 : Transformational leadership; ϵ : Error term.

Frequency tables were used to summarize the responses for further analysis and discussion

4.0 Findings and Discussion

4.1 Descriptive Information on Transformational Leadership

The adoption of transformational leadership by the parastatals in Uasin Gishu County was examined and the results obtained presented in Table 1.

Table 1: Transformational Leadership

Transformational Leadership	N	Mean	Std. Dev
The management promotes high ethical standards	31	3.1030	0.85280
Employees' contribution goes beyond self-interest	31	3.8824	1.03762
The management considers moral consequences of decisions	31	3.9893	0.85280
The management articulates future vision, mission and purpose	31	4.08588	0.60006
The management sets positive examples and encourage success	31	4.2059	0.68664
I always instill pride in all stakeholders linked to the organization	31	4.0763	0.95316
I always act in ways that builds confidence in employees	31	3.0000	1.0511
I always talk optimistically about organizational future	31	3.9118	1.0012
I communicate a clear vision for the future of the organization	31	4.1119	0.95159
I actively promote an environment where new ideas are welcomed	31	4.0013	0.61117
The management considers different problem solving perspectives	31	4.2059	0.6774
The management allows employees to innovate ideas	31	4.0000	0.95911
The management understands and support the individual aspirations	31	4.4412	0.56091

The management appropriates employees' abilities and aspirations	31	3.91198	0.62115
The management assists employees to develop their strengths	31	2.9119	0.79444
I always try to pay personal attention to employees needs	31	4.0533	1.00119
Aggregate	31	3.9914	0.89915

The findings presented in Table 1 revealed that majority of the respondents were noncommittal that the management promotes high ethical standards and integrity in the organization as depicted by a mean response of 3.103 and a standard deviation of 0.8528. However, the respondents concurred that the employees made significant contributions beyond self-interest for the good of the organization as revealed by a mean response of 3.8824 with a corresponding standard deviation of 1.03762. It is typical for organizations to adopt management strategies that inspire belief, certainty and hope among the employees. This is congruent with Machoki (2015) who averred that transformational leadership tended to guide organizations to pursue competitive motives that enhanced organizational performance.

Similarly, the respondents were committal that the management considered moral and ethical consequences of decisions before implementation as reflected by a mean response of 3.9893 with a standard deviation of 0.8528. This has been supported in literature where it was ascertained that transformational leadership played a critical role in enhancing client satisfaction especially for parastatals that ventured into service provision. It is also evident that the management articulated compelling future visions of the organization by emphasizing collective sense of mission and purpose as depicted by mean score of 4.0588 and a standard deviation of 0.60006. In addition, the management inspired employees by setting positive examples and encouraging them to exceed their usual efforts as illustrated by mean response of 4.2059 and a standard deviation of 0.6866.

There was also a general consensus that the management always instilled pride in all stakeholders for being associated with the parastatals as shown by a mean score of 4.0793 and a standard deviation of 0.95316. This is congruent with Wanyama and Aila (2022) who found out that transformational leadership was responsible for enhanced performance. On the contrary, the respondents were noncommittal as to whether the management acted in ways that enhanced confidence in employees as reflected by a mean response of 3.00 with a standard deviation of 1.05, it was also evident that the management talked optimistically and enthusiastically about the future of the organization as reflected by a mean score of 3.9118 with a modicum standard deviation of 1.0012. This has been strongly supported by Asiimwe and Sikalie (2022) who contended that transformational leadership had a significant effect on the performance of the SMEs whose management talked optimistically and enthusiastically about the future of the organization. It is also apparent that the management communicated a clear vision for the future of the organization as shown by a mean score of 4.119 and a standard deviation of 0.95159.

Furthermore, the respondents agreed that they actively promoted an environment where new ideas and creative solutions were welcomed and explored as revealed by a mean response of 4.0013 with a standard deviation of 0.61117. As a result, the management always considered different perspectives when solving problems as shown by a mean response of 4.2059 with a standard deviation of 0.6774. The results showed that the management allows employees to rethink ideas that they had never questioned before as shown by a response of 4.00 with a standard deviation of 0.9591. Also the respondents agreed that the management made efforts to understand and support the individual aspirations of the employees as revealed by a mean response of 4.4412 with a standard deviation of 0.56091. It was also evident that the management considered employees as having different needs, abilities, and aspirations from others as depicted by the mean score of 3.91198 and a standard deviation of 0.62115. However, majority of the respondents were noncommittal that the management always assisted employees to develop their strengths through teaching and coaching as depicted by mean score of 2.9119 and a standard deviation of 0.794.

It is also evident that the management tried to find out what employees wanted by paying attention to personal needs as shown by a mean response of 4.053 with a standard deviation of 1.00119. However, such a finding contradicts Kamau (2022) who failed to associate competitive advantage to transformational leadership. The aggregate mean of 3.9914 with a standard deviation of 0.89915 postulated that the respondents concurred that transformational leadership had been adopted in the parastatals. Based on the aggregate mean it is informative to note that a significant improvement in performance is bound to be achieved through transformational leadership. This has been supported by Ezenwa (2022) who empirically illustrated a significant association between leadership and organizational success and Nyasha (2014) who established that transformational leadership had positive effect on organizational competitive advantage. This implies that transformational leadership is a viable leadership mechanism for helping parastatals to improve performance.

4.2 Descriptive Information on Organizational Performance of Parastatals

Table 2 summarizes the responses on the parameters of organizational performance as described in terms of the mean and standard deviation.

Table 3: Descriptive Information on Organizational Performance of the Parastatals

Statements	N	Mean	Std. Dev
All stakeholders are satisfied with their roles in the organization	31	3.0000	.8528
High level of productivity is maintained in my organization	31	3.8824	1.0376
Feedback is used to make informed improvements	31	2.9905	.7744
In my organization there are measures to ensure accountability	31	4.0555	.6023
My organization uses the least resources for maximum output	31	4.0919	.6866
My organization provides services that meet citizens' needs	31	4.0000	.9591
Quality deliverables are achieved at the end of the project cycle	31	4.3357	.5644
In my organization stakeholders are satisfied with the services	31	3.9112	.6996
The operations in my organization are undertaken efficiently	31	2.5115	.7927
The projects are completed to the satisfaction of shareholders	31	4.0511	.9009
The projects outcomes benefit all the interested parties	31	4.2279	.6855
The services provided are of high quality	31	4.0044	1.111
There is a continuous improvement of quality of services offered	31	4.5512	.5191
There is prudent management of resources in my organization	31	3.9133	.7799
Average	31	3.8859	0.8885

The results presented in Table 2 illustrated that the respondents were noncommittal that all the stakeholders were satisfied with their roles in the organization as depicted by the mean score of 3.000 and a standard deviation of 0.8778. However, the respondents observed that high level of productivity was maintained in the organizations as reflected by a mean score of 3.88 and a standard deviation of 1.0376. Nevertheless, the respondents were noncommittal that feedback was regularly used to make informed improvements in our service delivery and operational processes as depicted by a mean response of 2.9905 with a standard deviation of 0.774. However, there were measures put in place to ensure accountability as revealed by a mean response of 4.06 with a standard deviation of 0.6023. The parastatals used the least amount of resources to achieve their objectives, demonstrating high operational efficiency as shown by a mean response of 4.0919 with a standard deviation of 0.6866.

Furthermore, the results showed that the organizations provided quality services that meet the citizens' needs as shown by a response of 4.000 with a standard deviation of 0.959. Also the expected quality deliverables were achieved at the end of the project cycle as revealed by a mean response of 4.3357 with a standard deviation of 0.56. It was also evident that the stakeholders in the parastatals expressed high levels of satisfaction with our services and operations as depicted by the mean score of 3.9112 and a standard deviation of 0.69956. However, majority of the respondents were noncommittal that the operations were undertaken efficiently as depicted by mean score of 2.5115 and a standard deviation of 0.79268. However, the respondents agreed that the projects were completed to the satisfaction of shareholders as revealed by a mean response of 4.05 with a standard deviation of 0.9009. As a result, majority of the respondents agreed that the projects outcomes benefitted all the interested parties as shown by a mean response of 4.2279 with a standard deviation of 0.6855. The results showed that the quality of services provided by the organizations met the established standards and expectations as shown by a response of 4.0044 with a standard deviation of 1.1108. It is also evident that there was continuous improvement of quality of services offered as revealed by a mean response of 4.55 with a standard deviation of 0.51906. It was also evident that there was prudent management of resources in the organizations as depicted by the mean score of 3.9133 and a standard deviation of 0.7799. The aggregate mean response of 3.8859 with a standard deviation of 0.8885 indicated that the respondents agreed with the statements relating to the organizational performance in the parastatals in Uasin Gishu County. Almsafir (2022) concurred that parastatals can create a culture of performance in order to benefit the stakeholders.

4.3 Correlation Analysis

This section presents the inferential analysis. The analysis was carried out in light of the objective and research hypothesis. The simple relationship between the independent variable and the dependent variable was analyzed using Pearson's product moment correlation analysis as shown in Table 3.

Table 3:
Pearson Product Moment Correlation Analysis Results

		Organizational performance	Transformational leadership
Organizational performance	Pearson Correlation	1	.899**
	Sig. (2-tailed)		.000
	N	31	31
Transformational leadership	Pearson Correlation	.899**	1
	Sig. (2-tailed)	.000	
	N	31	31

The findings presented in Table 4 show that the correlation coefficient for transformational leadership and organizational performance of parastatals were both positive with p-values being less than 0.05. For instance, the results revealed a strong positive relationship ($r=0.899$; $p=0.000$) between transformational leadership and organizational performance. This implied that the parastatals that adopted transformational leadership were likely to realize improved organizational performance. This is supported by Shah and Hamid (2015) who found a strong relationship between transformational leadership and organizational performance. Based on the findings of the paper, transformational leadership was found to be an important determinant of organizational performance.

4.4 Regression Analysis for Transformational and Organizational Performance

The effect of transformational leadership on organizational performance of parastatals in Uasin Gishu County was examined. It was hypothesized that there was no significant effect of transformational leadership on the performance of parastatals. The hypothesis was tested using simple regression analysis and the results presented in Table 4.

Table 4:
Regression Analysis results for Transformational and Organizational Performance

Regression Analysis Results for Transformational and Organizational Performance					
Model Summary for transformational leadership and Organizational Performance					
Model Summary					
	R	R Square	Adjusted R Square	Std. Error of the Estimate	
	.843 ^a	.710	.776	.1161	
a. Predictor: (Constant), Transformational Leadership					
Coefficients ^a for transformational leadership					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	9.591	1	.537	38.35	.000 ^b
Residual	1.406	30	.014		
Total	10.997	31			
a. Dependent Variable: Organizational Performance					
b. Predictor: (Constant), Transformational Leadership					
Coefficient ^a for transformational leadership					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.393	.358		.901	.375
Transformational leadership	.570	.069	.694	8.231	.000
Dependent Variable: Organizational Performance					

As shown in Table 4, the effect of transformational leadership on organizational performance was significant ($R\text{-square}=0.71$; $p<0.005$). The R-squared of 0.71 implied that transformational leadership had a chance of explaining 71% of the variation in organizational performance of parastatals in Uasin Gishu County. This implied that the other 29% of the variation could be explained by other factors which were not included in the model. The standard error of 0.116 indicated the deviation from the line of best fit. Based on the results, the paper rejected the null hypothesis which stated that there was no significant effect of transformational leadership on organizational performance of parastatals in Uasin Gishu County, Kenya. This implies that by focusing on transformational leadership the organizational performance of parastatals in Uasin Gishu County would be enhanced. The statistical significance of the model was determined using the ANOVA results ($F=38.35$; $p\text{-value}=0.000$) which showed that the effect of transformational leadership on organizational performance of

parastatals was significant. The regression model fitted to test the hypothesis was: $Y=0.393+0.694X_1+\epsilon$.

The results on the standardized beta coefficients indicated that without transformational leadership organizational performance of parastatals in Uasin Gishu County, Kenya would remain fixed at 0.393 units. However, a unit increase in transformational leadership led to an increase of 0.694 (69.4%) in organizational performance of parastatals. This increase is significant since p value was 0.000. The results are congruent with Okoth (2022) presented the possibility that transformational leadership presented opportunity to improve the corporate image and eventually organizational performance. This has been supported by Masungu, et al (2023) who suggested that transformational leadership significantly affected organizations by creating a culture that boosts organizational performance.

5.0 Conclusions and Recommendations

5.1 Conclusions

It is concluded that transformational leadership explained 71% of the variation in organizational performance of parastatals in Uasin Gishu County. It was hypothesized that there was no significant effect of transformational leadership on organizational performance of parastatals in Uasin Gishu County. However, the paper concludes that transformational leadership significantly influenced the performance of parastatals in Uasin Gishu County. A unit change in transformational leadership led to a significant increase of 69.4% in organizational performance of parastatals. This implies that transformational leadership was particularly impactful when adopted by the management of the parastatals in Uasin Gishu County.

5.2 Recommendations for Practice and Policy

It is evident that transformational leadership had a significant effect on organizational performance of parastatals in Uasin Gishu County. Therefore, the parastatals in Uasin Gishu County should adopt transformational leadership in order to be able to realize improved organizational performance. The specific emphasis on transformational leadership should be on idealized influence, inspirational motivation, intellectual stimulation and individual consideration that are likely to improve organizational performance.

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