INFLUENCE OF STRATEGIC LEADERSHIP ON PERFORMANCE OF MANUFACTURING COMPANIES IN KENYA: A CASE STUDY OF ZENKO KENYA LIMITED

NADIR OMAR

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE AWARD OF THE DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP OF THE MANAGEMENT UNIVERSITY OF AFRICA

SEPTEMBER 2018
DECLARATION

This project is my original work and has not been presented for a degree in any other university.

Signature…………………… Date……………………………………

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BML/6/00078/3/2013

Declaration by Supervisor

This project has been submitted for examination with my approval as University supervisor.

Signature…………………… Date……………………………………

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The Management University of Africa
DEDICATION

I dedicate this project to God Almighty my creator, my strong pillar, my source of inspiration, wisdom, knowledge and understanding. He has been the source of my strength throughout this program and on His wings only have I soared. I also dedicate this work to my family who have encouraged me all the way and whose encouragement has made sure that I give it all it takes to finish that which I have started. To Zenko Kenya Ltd, my colleges and the entire fraternity of Management University of Africa who have been affected in every way possible by this quest. Thank you. My love for you all can never be quantified. God bless you.
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Secondly, I would also like to thank Zenko Kenya Ltd and the entire staffs for their continuous support throughout my entire project my family and friends who also helped me a lot in finalizing this project within the limited time frame. I shall forever remain grateful.
ABSTRACT
The purpose of the study was to assess the influence of strategic leadership on performance of manufacturing companies in Kenya with reference to Zenko Kenya Limited. The study was guided by the following objectives; to establish the effect of good communication of strategic direction, exploiting and maintaining core competencies, developing human capital and sustaining organizational culture on performance of manufacturing companies in Kenya. The theories used to underpin this study include; resource base view theory, strategic leadership theory, the upper echelons theory, and contingency theory, complexity theory and trait leadership theory. This study adopted descriptive research design. The target population under study comprises of 82 staff of Zenko Kenya Limited in Kenya. This study adopted a stratified random sampling technique. A sample population of 33 is arrived at by calculating 40% of the target population of 82 as recommended by Kothari (2004). The study collected primary data using questionnaires. The questionnaires for this study were self-administered. The data collected was edited and cleaned of errors or omissions which could interfere with the accuracy of the findings. Analysis is an important process as it makes data sensible. The quantitative data in this research was analyzed by descriptive statistics using statistical package for social sciences (SPSS) version 24.0. The data was presented in form of tables and figures. The study found that knowledge management, that resources and capabilities, that key work processes and that ICT influence performance of Zenko Kenya Limited greatly. The study also found that strategic intent influence performance of Zenko Kenya Limited in a moderate extent. The study concluded that good communication of strategic direction influence performance of Zenko Kenya Limited since mission, core values and vision of the firms had a great influence on the performance of Zenko Kenya Limited greatly. The study recommended that management should work toward effective communication to ensure that strategic issues are communicated at the right time to achieve the strategic goals, culture and strategy should be compatible to achieve high performance and there is need to point out key functions and tasks necessary for successful strategy execution provide coordination among various organizational units, groups activities into organization units and determine the degree of authority to give to each unit.
TABLE OF CONTENTS

DECLARATION........................................................................................................i
DEDICATION......................................................................................................... ii
ACKNOWLEDGEMENT........................................................................................... iii
ABSTRACT............................................................................................................... iv
TABLE OF CONTENTS ............................................................................................. v
LIST OF TABLES ...................................................................................................... vii
LIST OF FIGURES .................................................................................................... viii
ACRONYMS AND ABBREVIATIONS ...................................................................... ix
OPERATIONAL DEFINITION OF TERMS ............................................................... xi

CHAPTER ONE: ............................................................................................................... 1
INTRODUCTION......................................................................................................... 1
1.0 Introduction ........................................................................................................ 1
1.1 Background ........................................................................................................ 1
1.1.1 Organisational Performance ........................................................................ 4
1.1.2 Manufacturing Companies in Kenya ............................................................ 4
1.1.3 Zenko Kenya Limited .................................................................................. 6
1.2 Statement of the Problem .................................................................................. 7
1.3 Objectives of the Study ..................................................................................... 8
1.3.1 Specific Objectives ..................................................................................... 8
1.4 Research Questions ........................................................................................... 8
1.5 Justification of the Study .................................................................................. 9
1.6 Scope of the Study ............................................................................................ 9

CHAPTER TWO: ......................................................................................................... 11
LITERATURE REVIEW ............................................................................................ 11
2.1 Introduction ....................................................................................................... 11
2.2 Theoretical Literature Review ......................................................................... 11
2.2.1 Resource Base View Theory ..................................................................... 11
2.2.2 Strategic Leadership Theory ..................................................................... 11
2.2.3 The Upper Echelons Theory .................................................................... 14
2.2.4 Sustaining Organizational Culture ............................................................ 15
2.2.5 Trait Leadership Theory .......................................................................... 16
2.3 Empirical Literature Review .......................................................................... 16
2.3.1 Good Communication of Strategic Direction and Organizational Performance ... 17

v
5.1 Introduction .................................................................................................................. 40
5.2 Summary of Findings ................................................................................................. 40
5.2.1 The influence of good communication of strategic direction on performance ........ 40
5.2.2 The influence of exploiting and maintaining core competencies on ......................... 40
5.2.3 Influence of developing human capital in performance ......................................... 40
5.2.4 Sustaining organizational culture contributes to performance .............................. 41
5.4 Conclusion .................................................................................................................. 41
5.5 Recommendations ...................................................................................................... 42
5.5.1 Strategic purpose and vision .................................................................................. 42
5.5.2 Enhance productivity of employees ....................................................................... 42
5.5.3 Effective communication strategy .......................................................................... 42
5.6 Suggestion for Further Research ............................................................................... 45
APPENDICES ..................................................................................................................... 48
Appendix I: Introduction Letter ...................................................................................... 49
Appendix II: Research Questionnaire ............................................................................. 50
LIST OF TABLES

Table 3. 1: Target Population ........................................................................................................30
Table 3. 2: Sampling Frame ..........................................................................................................31
Table 4. 2: Period of Working in Zenko Kenya Limited .................................................................35
Table 4. 3: Highest Level of Education ........................................................................................35
Table 4. 5: Influence of Good Communication of Strategic Direction on Performance .............36
Table 4. 6: Influence of Exploiting and Maintaining Core Competencies on Performance ........37
Table 4. 8: Influence of Sustaining Organizational Culture on Performance ............................38
Table 4. 9: Trend of the Various Aspects of Growth ....................................................................39
LIST OF FIGURES

Figure 2. 1: Conceptual Framework .................................................................27

Figure 4. 2: Period of working in Zenko Kenya Limited......................................27

Figure 4. 4: Age bracket..................................................................................27

Figure 4. 7: Developing human capital..............................................................27

Figure 4. 9: Trend of the various aspects............................................................27
### ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ECA</td>
<td>Economic Commission for Africa</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>RBV</td>
<td>Resource Base View</td>
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<td>TMT</td>
<td>Top Management Team</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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OPERATIONAL DEFINITION OF TERMS

Leadership- Is the influencing process of leaders and followers to achieve organizational objectives through change (Lussier & Achua 2013). Strategic leadership is “a person's ability to anticipate, envision, maintain flexibility, think strategically and work with others to initiate changes that will create a viable future for the organization” (Wendy, 2012).

Strategic leadership- Strategic leadership refers to the ability to anticipate, envision the future, maintain flexibility and empower others to create strategic change as necessary. (Hitt, Ireland & Hoskisson, 2015). Draft (2011) defined strategic leadership as “the ability to anticipate and envision the future, maintain flexibility, think strategically and work with others to initiate change that will create a competitive advantage for the organization in the future.

Organizational Culture - It is a pattern of basic assumptions that a group has discovered, invented or developed, in its quest to cope with problems of external adaptation and/or internal integration (Schein, 2010).

Organizational Structure - Defines how activities such as task allocation, coordination and supervision are directed toward the achievement of organizational aims and can also be considered the viewing glass or perspective through which individuals see their organization and its environment (Robbins & Judge, 2007).

Good communication of strategic direction- Serves as a guide to the many aspects of the organization’s strategy implementation process and entails the articulation of the organization’s mission and vision, development of the organization’s strategic goals and objectives and coming up with a strategic plan according to Ireland, Hoskisson and Hitt (2009).
Developing Human Capital- According to Bowen and Ostroff (2004) the human capital development is a key element in improving a firm’s assets (which includes employees) in order to increase productivity as well as sustain competitive advantage.

Establishing an Effective Organizational Culture- According to Needle (2010), factors such as type of employees, the organization’s history, the management style adopted by the leader, national cultures, technology and strategy, product, and the prevailing markets all together influence an organization’s culture and is reflected in the way the people perform tasks allocated, set objectives and administer the necessary resources to achieve organizational objectives.

Emphasis on Ethical Practices- according to Ireland, Hoskisson and Hitt (2009), the emphasis on ethical practices enables members at all organizational levels to act ethically when doing what is necessary to implement the organizational strategies.

Establishing Balanced Organizational Controls- According to Draft and Marcic (2011), organizational controls are the formal information-based procedures used by managers to maintain or alter patterns on organizational activities.
CHAPTER ONE
INTRODUCTION

1.0 Introduction
This chapter is organized into five sections which discusses the study’s background, statement of the problem, objectives, justification as well as its scope.

1.1 Background
Leadership remains one of the most important and driving forces of an organization (Dimitrios, Sakas, & Vlachos, 2013). Leadership is assumed to make a special, significant and positive contribution to organisational success for most organizations. The field of leadership studies has traditionally been leader-centered and has concentrated on the traits of the individual leader. Leadership attributes includes; exploiting and maintaining core competencies, developing human capital, good communication of strategic direction and sustaining organizational culture. However, leadership has evolved with different contemporary leadership models such as transformational leadership, servant leadership, authentic leadership and strategic leadership which have been used to explain effective leadership and the level of influence leaders have on followers (Avolio, 2007; Yukl 2013).

Strategic leadership is the ability of firms to envision and maintain flexibility, anticipate and be able to empower others so as to create a strategic chance and a viable future of the organization (Kjelin, 2009). Strategic leaders are always looking forward to set directions for the organization. Their influence is increased when they are able to scan and cope with the critical sectors of the environment they are in (Hambrick, 2011). The strategic leaders are involved with formulation of the organization's goals and strategies, developing structures, processes, controls and core competencies for the organization, choosing key executives, grooming the next generation of executives, managing multiple constituencies, maintaining an effective organizational culture, providing direction with respect to organizational strategies, sustaining a system of ethical values, and serving as the representative of the organization to government and other organizations and constituencies as well as negotiating with them. Strategic leadership of this kind must be able to deal with complexity, ambiguity and information overload requiring adaptability and a sense of timing. Strategic leaders make and communicate decisions for their organization's future (Zaccaro, 2009).
According to Cyprus (2012) strategic leadership basically means using strategy in management of workers. Motivating workers to take the initiative to improve their productive input into the company is the strategic style of leadership that is used. Although strategic style of leadership is known to keep the best interest of the business in mind, it's also appreciative of employees' unique talents and efforts. Strategic leaders are continuously looking ahead and analyzing the present in terms of preparation of what may be ahead for business. They are adaptable and growth oriented. A Gallup survey indicates that most employees believe that it is the leader, not the company that guides the culture and creates situations where workers can be happy and successful (Luthans, 2008).

Strategic leadership doesn't come easily in most organizations. It is revealed in the statistics that fewer than 10% of leaders show strategic skills a woefully inadequate number considering the demands on organizations today. Strategic skills are needed in times of growth and those not of growth. Leadership attributes includes; exploiting and maintaining core competencies, good communication of strategic direction, developing human capital and sustaining organizational culture. A strategic plan is only a plan; an organization's actual strategies lie in the decisions and choices people make (Beatty, 2010).

The resource capability view suggests that organizations should build a unique set of resources and capabilities. This should be done within the framework of the dynamics of the industry (or industries) which the organisation competes with. An organisation is thus viewed as a bundle of market activities and a bundle of resources. Therefore, strategic leadership can be viewed as a competency that is the capability of creating capabilities within an organisation by the acquisition, recombination and renewal of these activities and resources (Eisenhardt et al., 2015; Miller, Eisenstat & Foote, 2012).

Strategic leadership capabilities are needed in the new competitive landscape expected for the 21st century. Human and social capitals are source of sustainable competitive advantage for organization and, therefore, should be carefully nurtured and developed (Hambrick, 2011). The success in today’s global, interconnected economy springs from the fast and efficient exchange of information. Sustainable competitive advantage is no longer rooted in physical assets and capital, but in effective channeling of intellectual capital (Halawi, Aronson & McCarthy, 2015).
In recent years, competitive markets and business environments have been turbulent, volatile, complex, uncertain and heterogeneous. Firms have therefore implemented valuable capabilities, competencies and strategies for their business operations and activities in order to enhance business excellence, achieve firm performance, gain corporate survival, encourage competitive advantage and promote organizational sustainability in these circumstances. Strategic leadership has thus become a vital determinant of driving and explaining firms’ profitability and competitiveness. Higher firm performance is achieved and organizational success enhanced in the business operations with greater strategic leadership (Eisenstat & Foote, 2012).

The role of the leader is very core to the success of organisations. The criteria that leaders require to make their organisations very successful should thus be identified for this will greatly enhance the possibility of leadership achieving this goal in organisations. The ability to influence others to voluntarily make day-to-day decisions that will enhance the organisation’s long-term viability is strategic leadership, while at the same time maintaining its short-term financial viability. Participants attending the inaugural Africa leadership forum in Dar es Salaam convened by former president of Tanzania Benjamin Mkapa and Uongozi institute under the theme “meeting challenges of Africa transformation” agreed that Africa needs leaders who are strategic, inclusive and capable of managing diversities so as to realize transformation. They agreed that Africa does not lack vision and ideas but need leaders to transform these ideas to action (ECA -Economic Commission for Africa, 2014)

The Kenya Association of manufacturers (KAM) committed itself to provide timely and quality public services so as to be able to achieve national development goals. Effective leadership is required at all levels of the organisation to spearhead any change effort in order to achieve sustained reforms and improvements in performance. This requires top management commitment of KAM in strategic leadership where the “big picture” the vision of the organisation, is made and is thereafter cascaded and transformed into day-to-day meaning. This requires especially at senior levels of management, leadership competencies to be developed and enhanced. Leadership development programs require training, which then aims at improving service delivery of the organisation and achieving targeted results for Kenyans on a consistent long-term basis (KAM, 2016).
1.1.1 Organisational Performance
According to Armstrong (2010), performance is often defined simply in output terms— the achievement of quantified objectives. In this study financial performance will be measured in terms of profitability. Financial performance is a subjective measure of how well an organization uses its resources and assets to generate revenues. Financial performance includes the “measurement, of the results of an organization’s policies and operations in monetary terms. The results are reflected in the organization’s returns, assets, value added. Otley (2009) asserts that accounting measures have been the mainstay of qualitative approaches to organizational performance measurement.

Organizational performance is operationalized and conceptualized as consisting of marketing performance, financial performance and organizational effectiveness. Financial performance refers to the profitability of a firm and this can be measured with indicators such as profitability (ROI, ROE, and ROA). Marketing performance refers to both the growth and positioning of the firm. Marketing performance can thus be assessed using indicators such as new product introduction, product quality and market share. Organizational effectiveness refers to indicators such as productivity of the organisation (cost savings, efficiency) and quality (customer service and percentage of defects) (Elmuti, 2012).

1.1.2 Manufacturing Companies in Kenya
Kenya owns a large manufacturing sector which serves both exports to the East African region and the local market. The manufacturing sector has both subsidiaries of multinational corporations and locally owned and franchised around the region such as the East African cables limited. Manufacturing sector contributed to approximately 20% of the Gross Domestic Product (GDP). Manufacturing also contributed 13% of formal employment and 12.5% of Kenya’s total exports in 2008. Manufacturing is thus a key contributor to the national economy.

According to Kenya association of manufacturers (KAM 2011), there are 700 registered members. These members according to annual average turnovers made, they are classified as large, medium and small-scale manufacturing firms. Small scale manufacturers are defined by KAM as those manufacturing firms with a turnover of between ten million and twenty million Kenya shillings. Medium scale manufacturers range in turnover between twenty million and two hundred and fifty million while the large-scale manufacturers are those that
have turnovers in excess of two hundred and fifty million Kenya shillings. The manufacturing firms in Kenya differ in terms of their output products.

The Kenya Economic Sector Survey (2011) documented that major manufacturing exports from this sector included horticultural products, processed coffee and tea, iron steel, soda ash and fish products. Manufacturing imports included mainly petroleum products, industrial machinery, motor vehicles, iron and steel, plastics in primary and non-primary form, medicinal and pharmaceutical products, chemical fertilizers and animal and vegetable fats and oils. KAM notes that 80% of the 700 members that are registered with them are based in the city of Nairobi. The rest of the members are spread across other cities and urban centers for instance Athi River, Thika, Mombasa, Nakuru, Eldoret and Kisumu. Despite the huge contribution to the national economy, KAM argues that the manufacturing sector faces a number of challenges. These include; high cost of production influences both investment decisions and competitiveness of Kenyan products; illicit trade characterized by counterfeits, substandard, or un-taxed goods; high cost of living that drives up wage costs, reduces consumer effective demand and drives inflation; insufficient government support for local produce; weak linkages with local supplies; and inadequate or weak negotiation skills in regional trade agreements. Since manufacturing firms are business entities that participate in the production process of a nation, they are critical members of the economy. Their survival and success require a sustained focus on critical issues such as policy advocacy, business services, networking and coalitions locally, regionally and globally. Their leadership toward this goal is therefore, paramount (Mwirigi, 2011).

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1.1.3 Zenko Kenya Limited

Founded from humble beginnings as a Provision Store in Nairobi’s Eastleigh area in 1968, Zenko Kenya Limited has risen to become one of Kenya’s biggest FMCG Distributors. The Company’s main offices and warehouse are located on Nyahera Road, off Lunga Lunga Road, in Nairobi’s Industrial Area. Zenko Kenya Limited is today a manufacturer of tissue paper and foil paper also distributing global brands for Nestle – the world’s biggest Food Company- and GlaxoSmithKline’s Consumer brands. Their sister Company-Hasbah Kenya Ltd- is the National Distributor in Kenya for Procter & Gamble and SC Johnson’s Wax. Indeed, Zenko Kenya’s current premises were purchased from the Johnson’s Wax.

Zenko Kenya has been able to maintain very good relations with many companies and customers since the time of the wholesale business when dealing under the name of Hasbah Distributors, and since that time they have had good relations with wholesalers as far as Ethiopia, Uganda and Rwanda. With satisfaction to both suppliers and customers as our main principle, we have been able to develop good relations and thus the ease to achieve targets and monitoring counterfeits becomes easier.

Zenko Kenya Limited operates from a 12,000 Sq ft. warehouse in the former Johnson Wax Nairobi factory. There is adequate space for the construction of another warehouse of the same size if necessary which was later constructed for the tissue production plant. The Company has invested in 15 two and a half tonnes vehicles and 5 van, which do the daily route sales known as the van sales, 2 delivery trucks for bulk deliveries to Key Accounts and a 1-ton Pick-up truck and an extra van has been acquired for rapid response to urgent orders. They have also given an undertaking to increase the fleet if the volumes justify.

Zenko Kenya covers the CBD, Western, Eastern and Southern areas of Nairobi; parts of Eastern, Central and North Eastern Provinces for GlaxoSmithKline. This adds up to a total of 7000 outlets. For Nestle Foods, Zenko Kenya covers the same regions but enjoys exclusive coverage of the whole of Nairobi. This adds up to a total of 10,000 outlets. With 5 daily routes manned by 2 sales people per van, Zenko Kenya has call coverage of 10,000 outlets. With 5 daily routes manned by 2 sales people per van, Zenko Kenya has call coverage of 300 outlets and a hit rate of 60% each day.
1.2 Statement of the Problem

According to Carter and Greer (2013), due to limited experience and exposure to strategic leadership most organizations fail to attain profitability targets (Carmeli et al., 2011). Demands from shareholders and stakeholders on the top management teams have increased in both intensity and complexity and thus knowledge of strategic leadership is essential in every organisation (Carter & Greer., 2013). Some top leaders of banks are embarking on the work of strategic leadership without sufficient training and experience. Limited strategic leadership experience and training may cause a decline in profitability. A lack of orientation to the work of strategic leadership may jeopardize organizational performance, competitiveness and sustainability (Bansal & Desjardine, 2014).

Service delivery falls below the expectation of the stakeholders in most manufacturing companies in Kenya despite them having strategic plans showing their vision, mission and objectives set to be achieved. Strategic leadership steers good implementation of strategic plans put in place in an organisation. Zenko sustainable competitive advantage has been hindered by a weak strategic leadership approach heralded by weak organization structure, culture and traditions, gaps in systems, lack of policies and rules, not fully equipped in technology, lack of competent human resources, inadequate leadership, lack of rewards and support systems and funding. Hence, they should therefore put in place best practice if they are to remain sustainable and attain competitive advantage in the manufacturing sector.

Previous studies have been conducted in relation to strategic leadership, these include; Supriyadi (2012) established the influence of strategic leadership on firm inventive and innovative performance. Mathura (2009) studied the influence of strategic leadership in an Ellerine holdings limited. Serfontein and Hough (2011) studied nature of the relationship between strategic leadership, operational strategy and organisational performance. None of the studies have so far curved out the manufacturing companies on their own. This sub-sector is unique as it faces its own challenges different from the other manufacturers has and continues to be a very important contributor to Kenya’s economy. However, none of the studies that have already been conducted focused on the influence of strategic leadership on performance of manufacturing companies in Kenya and this creates a gap that this study seeks to fill by focusing on Zenko Kenya Limited.
1.3 Objectives of the Study
The objective of the study was to assess the influence of strategic leadership on performance of Manufacturing companies in Kenya with specific focus to Zenko Kenya Limited.

1.3.1 Specific Objectives
The specific objectives for this study were: -

i. To establish the influence of good communication of strategic direction on performance of Manufacturing companies in Kenya.

ii. To determine how exploiting and maintaining core competencies influence performance of Manufacturing companies in Kenya.

iii. To assess the influence of developing human capital in performance of Manufacturing companies in Kenya.

iv. To explore how sustaining organizational culture contributes to performance of Manufacturing companies in Kenya.

1.4 Research Questions
The study sought information to respond to the following questions

i. What was the influence of good communication of strategic direction on performance of Manufacturing companies in Kenya?

ii. To what level does exploiting and maintaining core competencies influence performance of Manufacturing companies in Kenya?

iii. How does developing human capital influence performance of Manufacturing companies in Kenya?

iv. What was the influence of sustaining organizational culture on performance of Manufacturing companies in Kenya?
1.5 Justification of the Study

1.5.1 Manufacturing companies Management
The directors and managers would benefit by learning how they can take time to reflect about their performance and try to improve to match with the best practices. Manufacturing companies in Kenya have been riddled with a number of problems some relating to the poor financial management, power struggles, non-remittance, poor record management and misappropriation of funds in varying degree. The possible solutions to these problems are better addressed by identifying the current status and matching it with that of other players in the sector.

1.5.2 Government and Policy Makers
The government on the other hand in formulation of laws and acts would be in a position to borrow information from the study. Recommendations and results of the study will also be used for other institutional based management. This study provides important information that can be used by policy makers in the manufacturing sector to help them be able to design and implement policies which can be used in different contexts in the analysis of strategic leadership trends and practices in organisations and develop a common understanding of what needs to be done, how and where to improve leadership effectiveness in the manufacturing companies.

1.5.3 Academicians and Researchers
The study is expected to stimulate academic research interest on aspects of manufacturing company’s leadership, management and development. The study would also be of benefit to scholars interested in the manufacturing companies and strategic leadership impact in the pursuit of competitive advantage of any business. It would also develop a new knowledge on the relationship between strategic leadership and manufacturing companies’ growth and seeks to raise the awareness on the challenges faced in leadership and hence provide a basis for research in strategic leadership related disciplines in Kenya.

1.6 Scope of the Study
The study was conducted in Zenko Kenya Limited and would only focus on strategic leadership and performance of manufacturing companies. The study would be done in the year 2017 targeting the management staff of Zenko Kenya Limited.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter presents the theoretical and conceptual framework for the study, gives a graphic conceptual framework presentation as well as description of the variables, then goes on to present a review of literature on strategic leadership and its influence on church growth. It critically examines what scholars and researchers have published on the linkage between strategic leadership and church growth.

2.2 Theoretical Literature Review
This section reviews theory, which would be used to underpin this study. These theories include resource base view theory, strategic leadership theory, the upper echelons theory, contingency theory and trait leadership theory.

2.2.1 Resource Base View Theory
This study was underpinned on Resource Base View which is commonly referred to as RBV. This theory is a very popular in management science proposed by Porter (1985). This theory indicates that firms may pass over their competitors by coming up with resources that are distinguishing and distinctly spread. Resource based view aimed to describe the firm’s internal sources that have sustained competitive advantage (Kraaijenbrink, Spender & Groen, 2010). The Resource Based View of an organization indicated that, firms’ internal resources are the source of the firms’ competitive advantage (Tukamuhabwa, Eyaa & Derek, 2011). These resources were very valuable, rare, unique and not easily substituted. The resources that termed as valuable were those with a capability to facilitate conception or strategies implementation which enhance success, exploited market prospects or counteracted imminent threats.

The two RBV theory assumptions were, capabilities and resources were distributed heterogeneously among organizations; and resources and capabilities were incorrectly mobile, which made organizations differences remained stable over time. Each and every organization was different from other organizations in terms of the resources and capabilities possessed or accessed by a firm. These variations differentiate one organization from another and performance of the firm was as a result of its firm-specific (idiosyncratic) resources (Karia & Wong, 2011). Therefore, organization’s individual resources, competencies and
capabilities were a package of the resources of a firm or the resource-based view essence. For example, in business inventory, a resource is explained as a basic element or a requirement for the logistics development and operation; and it is needed in developing capabilities of an organization. The firms resource-based view majorly highlighted their strengths and weaknesses internally, in comparison to industrial economic of the organization that focuses on the organizations external opportunities and threats as reported by Shang & Marlow (2015), since when there is unstable external environment, resources and capabilities of a firms may be easily controlled (Shang & Marlow, 2015).

This theory indicated that a firm may be termed as a collection of touchable and imperceptible resources (Kraaijenbrink, et al., 2010). This collection is exclusive to every firm for each organization could be considered different from each other within the same industry i.e. there is possession of similar experiences by two companies or had acquisition of the same assets or skills or built a similar culture of the organizational culture. Such discrepancy resources endowment among firms was the ultimate strategic decisions determinant (Shang & Marlow, 2015). Ganotakis and Love (2010) used the Resource based view to explain the inventory management importance to a firm. As per Ganorakis and Love (2010), flexibility and efficiency of an inventory is termed as a competitive advantage source for entrepreneurial organizations. Hence, this theory assists in understanding developing human capital that is a firm resource which sustains competitive advantage. Resources have a capability enabling conception or strategies implementation which enhances performance, exploited market opportunities or neutralized impending threats.

2. 2.2 Strategic Leadership Theory

This theory for this study was postulated by House and Baetz (1979). Strategic leadership gives organizational leaders the ability to create and re-create reasons for the organization’s continued existence. As per Kirmi and Minja (2010), strategic leaders have a role of shaping the strategic intent and strategic mission formation as well as influencing fruitful strategic actions for the strategies formulation and implementation that leads to strategic competitiveness above average returns. Various researchers detected considerable interest in strategic management like reflection in works by Bradley and Barrick (2008). Finkelstein, Hambrick, and Cannella (2009) highlighted this interest in the comprehensive strategic leadership treatment. Carter and Greer (2013) wondered how an organizational performance is influenced by a strategic leader! Moreover, Hitt and Ireland (1999) indicated that strategic
leaders create meaning and determination for the firm with an influential mission and vision. Literature revealed that organizations are set up to achieve certain strategic goals. It’s the leader who is capable of influencing firms’ members to effectively contribute towards the achievement of pre-determined objectives and goals.

Moreover, Awan, Qureshi and Arif (2012) further confirmed this by observing that leadership that is effective in NGOs/NFPs leads to enhanced firms’ success. In all kinds of firms, strategic leadership is significant. In a strategic leadership review in the first 10 years of the twenty-first century, Hitt, Haynes and Serpa (2010) indicated that various strategic organizational leaders have failed to effectively deal with instability of the firm. The most organizations failures were indicated to be as a result of inadequate strategic management. Similarly, Kirimi and Minja (2010) detected that firms fail is associated to failure in leadership in selling their vision for the firm to the followers, haven’t persuaded supporters the reason as to why need to be passionate and that they fail to make loyal employees to the agenda of the organization. Empirical review revealed that strategic leadership guides firm in ways that result in the strategic intent formation and strategic mission. Goffee and Jones (2006) gives the evidence firms performance improves when leaders practice strategic leadership.

Additionally, Kirimi and Minja (2010) reveal that strategic leadership is undoubtedly significant to all firms. Similarly, Hughes and Beatty (2005), argue that firms objectives are achieved through strategic leadership. In addition, Serfontein (2010) hypothesized that the key objective of a strategic leader is gaining better comprehension of the conditions of the business, the environment and other aspects which assist in identification of challenges in the future. Ahmed (2013) observes that strategic leadership comprises of both the management and leadership functions in which the TMT work as associates in strategic issues. As per Gill (2011) strategically leaders should be able to advance the firm’s vision, mission, plans as well as culture and above all, monitoring of the development and variations in the environment in a view of guaranteeing that strategies are focused, relevant and valid. Hence, this theory is relevant to this study since it assists in comprehending good strategic direction communication on firm performance.
2.2.3 The Upper Echelons Theory

In the late 1970s and early 1980s, leadership as a study field had reached a stalemate: there was a little development of new theory and serious researchers were asking not where the field should go next, but whether leadership even matters. Distinguished exclusions included the early work of House (1977) on compelling leadership and that of Lord (1977) on implicit leadership theories. In the 1970s and 1980s, there was significant discrepancy on the leadership impact on performance, as sceptics from the organizational sociology contended that leadership behaviors influenced organizational performance less than eco-friendly or organizational factors whereas supporters argued that attitudes of the leaders’ have a significant effect on firm performance. The mid-1980s indicated a shift from the study of “supervisory” leadership towards the study of strategic leadership. This emphasis change was escorted by a newfound interest sense, originally based on the upper echelons theory and the TMTs study and what has been considered the “new” leadership theories.

In reply to the skepticism about the leaders’ impact, three leadership streams research emerged (Elenkov, Judge & Wright, 2005). First, Hambrick uttered a determined agenda of the research set out to deliver a tougher leadership argument for in the strategic management literature and considered this the “upper echelons perspective”. While the upper echelons perspective extended strategic leadership comprehension, it has been disapproved for indirectly studying actual behavior of the strategic leadership. Majority of the research have been conducted in Western developed (predominantly the United States) economies. As such, the way that behaviors of strategic leadership differ all over the world is unknown and relatively underexplored (Elenkov et al., 2005).

Prostration to sceptics of leadership, the upper echelons research has further recognized that sometimes-top managers matter meaningfully to outcomes of the organization and sometimes not at all – they are often somewhere in between dependent on how much discretion or action latitude they are afforded. Decision occurs when there is a constraints absence in making the decision as well as when there are many reasonable alternative strategic action courses. With more choice, top directors are much able to understand their unique intentions and vice versa. In a nutshell, as per Elenkov et al. (2005), the upper echelons perspective as long as sound theoretical and a number of empirical arguments for the strategic leadership central role in relation to exploiting and maintaining core organizations competencies.
2.2.4 Sustaining Organizational Culture

Complexity theory is made up of a collection of theories. The key tenet of the theory is that our reaction and their results are subjective to the environment in which they are made. There is no consistence decisions and common agreement on the decision-making process in a turbulent environment. According Smith (2005), managing complex systems requires an adaptive approach, rather than rigid authoritarian styles of a leader within organizations. Therefore, the external environment in which an organization operates is not predicable while rules and procedures may not be enforceable by the leader.

Complexity theory can be used to understand how to cope in complex and turbulent environments. In fact, there is agreement amongst chaos and complexity authors that traditional strategy making can be rendered ineffective in turbulent environments (Tredinnick, 2009). It is argued that managers need to continually obtain new information to understand the environment. This is due to the ineffectiveness of traditional strategic planning to predict turbulent and changing environments. Complexity theories are increasingly being adopted to better understand the management of complex and turbulent environments, because businesses and their environments are complex adaptive systems to which complexity theory can be applied. Complexity theory has been applied to a wide range of social systems, including the economy, society, culture and environmental complexities. A turbulent environment increases both an organization's risks as well as success, depending on the leaders’ strategies, decisions and effectiveness. Organizations that operate in stable environments are more predictable; therefore, structured roles and procedures can be applied compared to organizations working in turbulent environments. According to Mason (2007), a causative link between environmental variables and management action may not be possible because most of the actions of the leader may not correspond to the chaotic nature of environments.

Whether the environment is stable or chaotic, the leaders are required to better understand their organizational strengths and weaknesses so as to come up with appropriate strategies on how to respond to change. However, Smith and Humphries (2004) indicated that this expectation may not be realized by the leaders because as complexity increases, the ability to understand and use information to plan and predict becomes more difficult. As the system becomes more complex, making sense of it and predicting its behavior becomes more difficult and adapting to the changing environment becomes more problematic (Turner &
Williams, 2004). Moreover, research evidence also shows that the effectiveness of the leaders and their organizations is positively related to the complexity of leaders' actions and their capacity to respond appropriately to turbulent and changing environment (Smart, 2003). The leaders' actions and their capacity to respond to complexities may not require consistent behaviors but contradictory and opposing behaviors (Plsek & Wilson, 2001).

Complexity theory informs this study in explaining the behavior and strategies of strategic leaders in a turbulent and fragile environment. This is due to the fact that humanitarian leaders respond to emergencies and disasters in a fragile and hostile environment compared to their corporate counterparts. Therefore, the complexity theory to be attractive to strategic leadership since the of roles of strategic leaders, organizational issues and maintaining flexible and resilient organizations happen under complex and fast-changing environments.

2.2.5 Trait Leadership Theory

The theory was underpinned on the qualities or the individual leaders features. Some specific characters are important to the leader success and his leadership. Intellect as well as communication ability among others are very vital characters essential for leadership success. This theory makes a supposition that leaders have innate great traits that allow them to be better suited for leadership. This makes them unique from other people or their followers. These leaders’ qualities are very relevant when any successful leader holds them; they make them to perform their roles excellently. Among the significant characters is to be a good communicator, capability to decide excellently and responsiveness in many circumstances. Derue et al. (2011), notes that even if many characters have been researched by many academicians. These characters included: intellect, diligence, appetite for risk, and emotional maturity. The study recommends that leadership qualities associated with sustaining organizational culture are management efficacy eminent projectors. Therefore, this theory is applicable to this study since it helps in underpinning of performance of organization in relation to sustaining organizational culture.

2.3 Empirical Literature Review

This section presents a review of literature related to strategic leadership. It critically looks at what scholars and researchers have published on strategic leadership. The chapter is organized thematically based on the seven variables to measure strategic leadership, namely good communication of strategic direction, exploiting and maintaining core competencies, developing human capital, sustaining organizational culture, ethical practices and strategic/
organizational control. Each of the independent variables formed a research objective of this study. The extent to which, the strategic leadership influences performance effectiveness in Manufacturing companies.

2.3.1 Good Communication of Strategic Direction and Organizational Performance

Further the actions of the leaders imply the kinds of behaviours that they value and wish to adopt. Those who show behaviours that is transformational encourage others to engage in creative processes, intensifying their attentiveness to creative chances (Jung, Wu & Chow, 2008). Majority of the hired strategic leaders who have an ability to use efficient style of communication with the technical improvement for their execution abilities, not for their discovery skills and Chief Executive Officers with the understanding and commitment to cultivate capabilities of the firm for invention are rare (Dyer, Gregersen & Christensen, 2011).

Louw and Venter (2006) note that when implementing strategic varies, it is chiefly significant for strategic leaders to use timely right communication in translating the strategy into a vision that sets the strategic direction for the organization. Amos (2006) noted that it is correspondingly significant for the full firm to buy into this vision, as it will enable the implementing the strategy. Amos (2006) further indicates to two primary good vision components, which include a “core ideology” (comprising “core values” and a “core purpose”), and an “envisioned future” (that stands as a joining focus of employees’ effort to strive towards). The “envisioned future” obliges as a guide to many firm’s strategy implementation process aspects, including motivation; leadership; empowerment of the employee and the design of the organization.

An important authoritative for firm’s strategic direction is the strategic leader ability to make the suitable strategic choices improving the performance of the firm. However, the duty of setting the ultimate strategic direction for the firm is held by the CEO. Its significant to note that varied top administration team, instead of various expertise areas, is mostly likely to identify variations in the environment (opportunities and or threats) or variations within the organization that require a different strategic direction.

It’s over planning and forecasting that firms better document existing trials, predict threats in the future, inform their decisions on how to intercede and alleviate crises and more strategically implement efforts for risk-reducing recovery in the humanitarian crises
repercussion. In this study, visioning and strategic planning contingency planning and strategic forecasting have been used to measure strategic forecasting and planning strategic leadership elements (Kumar, Latif & Daver, 2012).

Strategic leaders are responsible for the relationship between the external environment and choices of vision, mission, strategy and their execution within their organisations (Draft, 2011). Organisations are constantly challenged by crises that rapidly change. Addressing these increasing and progressively composite humanitarian disasters and emergencies wouldn’t only need enhanced tactical replies, but a strategic vision that is long-term and plan based on a complete risk-management framework. Strategic planning is a way of improving performance by establishing long-term targets and by stirring members of the firm through creation of a vision and a mission sense (Mufudza, Jengeta & Hove, 2013). Strategic leaders define a shared vision and plan for their efforts in the medium and long term.

The origins of most international non-governmental organizations (INGOs) are rooted in an idealistic mission and a strong volunteer spirit. Financial institutions around the world are functioning in an increasingly competitive and complex world as they compete for funding sources, qualified staff and clients. In fact, one of the basic differences in non-profit organizations and for-profit organizations is that non-profit organizations have many more constituencies to deal with than for-profit organizations. In this regard, researchers have argued that strategic leaders have to plan for more complex and more than one constituency (Holloway, 2012).

A research by Dimitrios, et al. (2013) showed that strategic leadership may be hard to execute in NGOs as a result of complexity of the firms’ environment as well as its work that pertains volunteering in contrast to company competitors. Results also show that the the interventions and programming scope is short-term while donor funding and many international staff boost a planning and programming short-term perspective which ussually hinders the longer-term development of a vision and the capability of sustaining such a vision with any continuity.

Temporarily, a research by Taiwo and Idunnu (2010) showed that managerial, environmental and organizational factors determines the strategic planning intensity. They further showed that pointers like the organization’s vision and mission statement that is documented, recognized core values realistic goals set, long-term purposes and the action plans development which are very important in each firm that visualise an effective strategic plan.
Analoui and Samou (2012) researched on the effect of strategic administration and planning on Non-Governmental Organisations whereas by use of various determinants in assessment and measurement of strategic management and planning in Non-Governmental Organisations. These pointers include; internal and external environment assessment, the NGO leaders vision, formulation of a strategy, mission statement development, strategic issues identification and structure of the firm, leadership, culture, implementation of a strategy, control as well as development. In addition, awareness of the leaders on the significance of strategic planning plays an key role in the strategy formulation and implementation.

Contingency planning refers to plan development in response to a possible emergency or crisis. Though, the results of a study by Levine, et al. (2011) showed that so much possibility planning has been done and its becoming a concern since a lot of time is spent in possibility planning training in seminars and workshops. The researchers also noted that most of contingency plans all over parts of East Africa are long documents with a lot of information although it’s rare to include the parameters that usually assist to speed up replies in case of an occurrence of an emergency. A study by Hall, et al. (2012), revealed that there is a relationship between contingency planning effectiveness and flexibility. Contingencies to long term feasibility may be avoided with the right contingency planning form that is executed at the right time. Contingency planning may basically be a key aspect of an overall strategic plan for a firm.

Forecasting strategically is a prediction method based on the capability of the firm to acclimatise to the new circumstances. Projecting is a precise method of information translation on environment and the projected strategy firms’ translation of information about the environment and the firms projected strategy into accounts about future findings (International Alert, 2009). Forecasting associates to which will occur if a humanitarian organization attempts to execute a given strategy in a likely environment and assists to determine the possibility of the likely environments.

Most monetary firms are based on how manage strategically the humanitarian contingencies so as to avoid it or minimise its impact on the targeted beneficiaries. The uncertainty of the environment as well as the stability affects the strategic complexity of the task for the leaders as well as their ability to process information that is associated to forecasting of the firm (Qiong, Wen, & Yun, 2012). Hence forecasting plays an important part in influencing the
leaders’ choices and decisions. Forecasting allows the leaders of firms to go after and forestall how potential events in the future might affect the firm. Kumar, et al. (2012), noted that forecasting may be of benefit to the firms’ relief since it allows them to predict the patterns of the demand in the years to come as well as making logistics plans for contingencies in advance so as to deal with any likelihood of an emergency. Additionally, forecasting also would assist the firms in making right decisions to reduce the relief commodities arrival from help and distribution centres.

There has been little research mostly on the forecasting the future in showcasing the significance of programme implementation context. As per Dane and George (2014), forecasting effectively is not concerned with the possibility of an occurrence of an event but rather how to manage an event if it occurs. Forecasting is used by the various international and national financial firms in logistics planning for emergency. This leads to a search and rescue activities good management as well as injured people efficient evacuation.

2.3.2 Exploiting and Maintaining Core Competencies and Organizational Performance

This diversity allows organizations to allocation of all over the domains, improves their capacity of solving tough challenges as well as enhancing the answers by surmounting local search. Moreover, knowledge diversity allows organizations in identification, evaluation and exploitation of discoveries from a greater external sources variety. It has been noted that a moderate knowledge diversity level yields the best inventive performance. The firms’ boosts communication and involvement in core capability development all over the firms’ organization for better organization performance. Organisations that invent in more domains tend to involve greater distance technology and whereas this expands latent combinative opportunities, it can also negatively affect ability of a firm to assimilate knowledge. However, individual establishments may derive very diverse invention benefits from a given diversity level, according to differences in their strategic leadership (Zhou & Li, 2012).

Skilled personnel staff entrusted with monitoring should have required technical expertise in the area (Perrin, 2012). The organization also compare itself with other companies with the same skills to ensure that it is developing unique capabilities. In which the essential capabilities need to be improved so as to meet the requirements and with ongoing investments in developing such capacity within the office as necessary. Specific budgeting and financing considerations for evaluating Program units should approximate and show the
monetary needs as well as funding ways for every evaluation in the evaluation plan. When approximating evaluation cost, the evaluation duration and scope should be considered.

Leadership team-based approach is supported by a shared purpose sense and issues ownership at all organization levels. This concept indicates that leadership is a collective task based on shared decision-making and delegated authority (Apostu, 2013). In South Africa it is a constitutional right for people to participate in manufacturing companies’ management. Developing an understanding of what capabilities its customers truly value and invest accordingly to develop and sustain valued strengths enhancing organization performance. Design competitive positions and strategies which exploit on corporate strengths, unify the company across business units and functional units, and enhance the knowledge transfer and skills among them, assist staff comprehend and management’s priorities; integrate the technology use in carrying out business processes, decide where to allocate resources, make outsourcing, divestment and partnering decisions, widen the domain in which the company innovates, and spawn new products and services, invent new markets and quickly enter emerging markets and improve image and build customer loyalty are as a result of core competence exploitation. According to Naidoo (2010), in South Africa focuses on empowering the beneficiaries, bringing on board the popular, enhancing transparency and accountability. The author argues that evaluation is very vital and important in promoting development and democracy.

Organization management pursues alliances, acquisitions and licensing arrangements that will further build the organization’s strengths in core areas. Preserve core strengths even as management expands and redefines the business. Outsource or divest non-core capabilities to free up resources that can be used to deepen core capabilities. On the other hand, Mulwa (2008) points out that illiteracy is a key hindrance to management hence calling for capacity building. The aspects of management is said to empower people in such areas hence promoting sharing and learning among stakeholders thus ensuring indigenous knowledge is brought on board.

2.3.3 Developing Human Capital and Organizational Performance

An organization’s human resources are considered to be one of the main sources of competitive advantage (Torre-Ruiz, et al., 2013). Effective leaders are able to understand teams and lead them effectively to realize organizational goals. According to Clarke (2013), through strategic leadership, teams can manage tasks better than individuals. Strategic leaders
create an atmosphere of change, and use visionary ideas that motivate, stimulate, and drive other people to work hard. Management of human capital review process provides a systematic assessment of a structure and staffing of the organization. It is a way for managers and directors to appraise the readiness of their business units to accomplish their objectives. Often this activity is part of the budget process and provides information that can be very useful to forecast resource needs for staffing and development. According to Wuchty, Jones and Uzzi (2007), the success of organizations depends to a large extent on the effectiveness of teams. Thus, effective teams can have positive impact on organizational effectiveness.

Chen, Wu, Yang, and Tsou (2008) have discovered that diversified leadership roles influence team trust which in turn directly impact team effectiveness. The author have also found that team trust mediates the relationship between leadership effectiveness and team effectiveness. Stewart (2006) also revealed that enhanced team relationship leads to performance. For instance, the author, argued that autonomy and coordination within the team are associated with better performance, irrespective of the type of task accomplished by the team. Further, Zellmer-Bruhn and Gibson (2006) have found positive associations between quality team members’ relationship and performance. Goal and task interdependence of members of organisation teams have positive relationship with team effectiveness. Findings from a research by Manzoor, et al. (2011) indicated that teamwork, team trust, recognition and rewards have a significant positive effect on employee performance. However, in their study, teamwork was found to be the most significant variable with a strong relationship with employee performance. The authors further recommended that organizations adapt teamwork activities in order to enhance the employee performance.

Ketokivi and Castañer (2004) revealed that integration of top and middle management in strategic planning is a critical factor enabling employee alignment within the organization and would enhance organizational performance. Moreover, employees are the main source of organizational success. Once the overall resource plan has been establishment, one is able to carry out evaluation of every staff skills and capabilities against the business unit needs. Matrix creation with significant capabilities listed on one side and staff names on the other, is an important tool for assessment capturing. It’s also helpful to include every staff performance rating and assessment report of salary and contrasting this information with the assessment of skills information. This procedure delivers the necessary information to proposal and order needs of development, and opportunities to identify valued staff through
improved reimbursement, publicity opportunities, or visibility assignments. Besides, Ouakouak and Ouedraogo (2013) have found that there is a link between employee strategic alignment and firm performance. Besides, a study on 64 teams from companies from different industries in Scandinavia and Holland by Driedonksa, Geversb, and Weelec (2010) concluded that organization executives who focused on employee involvement, commitment, team composition, and team processes have better team and organizational performance outcomes.

Kirkman, Rosen, Tesluk and Gibson (2004) have investigated the relationship between team empowerment and team performance on thirty-five teams in high-technology firms. The study has revealed that team empowerment and support is positively related to team performance and customer satisfaction and thus organizational effectiveness. Furthermore, studies have concluded that the type of leadership as an input that drives team effectiveness and processes such as coordination, commitment, support and team performance.

Review of literature of several studies indicated that, there are seven characteristics that create team effectiveness including coordination, communication, cohesion, decision making, conflict management, social relationships and performance feedback. In another research, team work, esprit de corps, team trust, recognition and rewards have been used to measure team effectiveness. Findings from the research indicated that teamwork, esprit de corps, team trust, recognition and rewards have a significant positive effect on employee performance (Manzoor, HafizUllah, Hussain & Ahmad, 2011).

A study by Ross, et al. (2008) on team effectiveness used performance, behaviour, attitude, team member style and corporate culture as an empirical measure of team effectiveness. Cacioppe and Stace (2009) used five measures, of integral model of teamwork and effectiveness namely; vision and goals, leadership and team roles, systems, procedures and rewards, relationships and culture, development and learning and organizational and environmental alignment in determining team effectiveness that showed strong internal consistency.

Meanwhile, Katzenbach and Smith (2013) came up with team basics model in which team commitment requires team members having specific goals, meaningful purpose and common approach. The authors further indicated that sufficient complementary skills and the understanding of the common purpose are well understood by the teams. A “vulnerability
assessment” is a tool useful in facilitating discussion focused on retaining high highly valued staff. Identification and discussion of vital areas of susceptibility and possible turnover. In addition, there are team-oriented goals that are clear, realistic, and measurable while the teams have a well thought-out, articulated working approach.

Hackman (2014) declared that a team is most likely to be effective when five conditions are satisfied by the leader. According to Meuse (2009), the five conditions that foster team effectiveness are conceptually straightforward and relatively simple for the strategic leader to establish in an organization. These are: real team, compelling direction, enabling structure, supportive organisational context and expert coaching. The leader should be able to create a team that has little or no interdependence, stability, clear boundaries, and clearly specified authority. He should also provide directions that is challenging, consequential, and clear. Create structures with task, composition and norms that promote competent teamwork. Tune the organizational reward, educational and informational systems so that they support teams in their work. Lastly, provide hands-on coaching that helps teams take advantage of their favourable performance circumstances (Markette, 2012). This study used the five measures by Hackman (1993), namely real team, compelling direction, enabling structure, supportive organisational context and expert coaching to measure team effectiveness.

Strategic leaders in financial institutions need to create an environment and culture where people are encouraged to speak up, take risks, and make judgments on the basis of experience, and learn from mistakes (Angus, 2012). Researchers like Sandwell (2011), indicated that financial institutions are challenged by the short time scale of relief missions and high staff turnover rates while the financial institutions involved in emergencies and the unpredictability of disasters need effective and motivated teams.

Leadership is the most important factor causing an impact on team effectiveness. But the team effectiveness depends on the type of leadership style that arouses team spirit and motivation (Sandwell, 2011). Research findings by Ozaralli (2003), and Kuo (2004), showed that rewards and punishments have a positive impact on leadership satisfaction, organizational commitment, team effectiveness and individual and organizational performance. Research by Smith and Scriven (2011) also found that leaders in humanitarian organisations encourage their teams to take risks while they shoulder responsibility for risk-taking by their teams as well.
Expert coaching is the responsibility of the leader to minimize obstacles in the path to success while facilitating progress within the team. The little attention given to team coaching could simply mean that leaders underestimate the potential benefits of providing coaching assistance to their teams. A team-based approach to leadership is supported by a shared sense of purpose and ownership of issues at all levels of the organization. This concept suggests that leadership is a collective task based on shared decision-making and delegated authority (Apostu, 2013).

2.3.4 Sustaining Organizational Culture and Organizational Performance

As per Ireland and Hitt (1999), culture of the firm refers to complicated ideologies set; symbols and core values that are shared through the organization. Writing a vision is necessary factor to make it successful. When the dialogue stays verbal only, it’s inevitable that everyone will leave the room with a different version of what was agreed upon. Authenticating it is far more probable to assist you get where you want to go. Culture of the organization is the unique shared assumptions pattern; values, and norms that shape the socialization activities; language; symbols; rites and ceremonies of people in the firm” (Jackson, et al., 2003). Strong cultures provide clear guidelines of how people in the organization should behave.

Culture of the firm may be the competitive advantage source. It controls and pedals the employees’ behavior and hence affects how the firm carries out a business. As per Schein (1992), it is significant for strategic leaders to analyze the organization culture during execution of the strategy. There is something solid that reverberates when people hear nicegood stories of how the events are undertaken in a firm or how the firm positively advanced to where it is. There is an applicable wisdom which comes with these tales, an experiential teaching element which goes beyond the intellectual theories (Schein, 1992).

One of the greatest contributors to the development of culture of the firm is how difficult situations are managed. Although cultures that are strong are partly developed by what we do in the hard times. Altering organizations’ culture of the organization can be harder than maintaining it, but effective strategic leaders identify when change is absolutely necessary. There is no scarcity of academic literature that emphasizes the inextricable relationship between strategic leadership and organizational culture. Whilst managing this relationship represents one of the implicit challenges for the firm’s leadership, the need to strategically lead an organization in a manner that is epitomized by “ethical practices” is equally essential.
2.4 Summary and Research Gaps

From the review done on previous studies, it is clear that strategic leadership can have a positive influence on an organization’s qualitative performance indicators, and there is thus an intrinsic need for organizations to have strategic leaders who possess a specialist skills-set to lead radical transformation efforts within a macro enterprise. The studies include; Supriyadi (2012) established the influence of strategic leadership on firm inventive and innovative performance. Kotolo (2010) studied the influence of strategic leadership on employee performance in the hotel industry. Mathura (2009) studied the influence of strategic leadership in an Ellerine holdings limited. Serfontein and Hough (2011) studied nature of the relationship between strategic leadership, operational strategy and organisational performance. Palladan, Abdulkadirand Chong (2016) established the effect of strategic leadership, organization innovativeness, information technology capability on effective strategy implementation: a study of tertiary institutions in Nigeria. However, none of the studies focused on the influence of strategic leadership on performance of manufacturing companies in Kenya creating a gap that this study seeks to fill.

2.5 Conceptual Framework

The conceptual framework can be viewed as providing a theoretical overview of intended research and order within which the research is carried out and hypotheses tested (Leshem& Trafford, 2007; Bryman, 2001). Furthermore, Camp (2001) defined conceptual framework as structure of how a study can be carried out and best explain the natural development of a phenomenon that is being studied. According to Leshem and Trafford (2007), conceptual frameworks fulfill two roles; it provides theoretical clarification of what researchers intend to investigate, and, it also enables readers to be on clear what the research seeks to achieve, and how that will be achieved. In this study, the independent variables include good communication of strategic direction, exploiting and maintaining core competencies, developing human capital and sustaining organizational culture while the dependent variable is performance of manufacturing companies in Kenya.
**Figure 2.1: Conceptual Framework**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
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<tbody>
<tr>
<td>Communicating the strategic direction</td>
<td>Performance of manufacturing companies</td>
</tr>
<tr>
<td>Exploiting and maintaining core competencies</td>
<td>• Profitability (Return on investment)</td>
</tr>
<tr>
<td>Developing human capital</td>
<td>• Membership growth</td>
</tr>
<tr>
<td>Sustaining organizational culture</td>
<td>• Customer service quality</td>
</tr>
<tr>
<td></td>
<td>• Dividends paid</td>
</tr>
</tbody>
</table>
2.5 Operationalization of Variables Figure 2.2
Operational Framework

Parameters
- Mission
- Vision
- Goals
- Core values
- Resources and Capabilities
- Strategic intent
- Key work processes
- Knowledge management
- ICT

Independent Variable
Communicating the strategic direction
Exploiting and maintaining core competencies
Developing human capital
Sustaining organizational culture

Dependent Variables
Performance of manufacturing companies
- Profitability (Return on investment)
- Membership growth
- Customer service

2.5.1 Communicating the strategic direction
The key to developing this understanding at all levels of an organization is effective strategic planning communication. When implementing the Balanced Scorecard or any type of strategic plan, the scope of an organization’s internal communication strategy can make or break the efforts. Strategic planning is an organization's process of defining its strategy, or
direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy. Strategic planning became prominent in corporations during the 1960s and remains an important aspect of strategic management. It is executed by strategic planners or strategists, who involve many parties and research sources in their analysis of the organization and its relationship to the environment in which it competes.

2.5.2 Exploiting and maintaining core competencies
Core competencies (which include resources and capabilities that ensure a competitive advantage) have become the basis of the new competitive landscape. Therefore leaders can use these core competencies to build their long-term strategies. Core competency should not be easily replicated or imitated by competitors. Lastly, it should be rare and it should be something not found in a competitor.

2.5.3 Developing human capital
Human capital entails knowledge and skills of the organization sentire workforce. Leaders should therefore drive the investment in human capital in order to derive the full competitive benefit. Human capital management strategies acknowledge that employees, their skills, experience, knowledge, concepts, and innovative ideas are all valued within an organization. A company must understand its employees inside and out in order to expect the best from them. A human capital plan refers to the development of strategies to recruit the best available talent, develop career plans for employees, mentor and coach the employees, motivate employees to deliver their best at all times, and develop performance management strategies, according to the Office of Personal Management.

2.5.4 Sustaining organizational culture
Organizational culture the term ‘Culture’ signifies values, beliefs, morals, customs, habits and knowledge acquired by the people living in a society. Organizational Culture is the acquisition of values, beliefs, attitudes and expectations.’ Culture is the soul of the organization, the beliefs and values, and how they are manifested. I think of the structure as the skeleton, and as the flesh and blood. And culture is the soul that holds the thing together and gives it life”
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
The methodology that was used to undertake the study is presented in this chapter. This chapter is organized into; the research design, the target population, the sampling design, the data collection method, the research procedures, reliability and validity and the data analysis methods that was used in the study.

3.2 Research Design
This study adopted descriptive research design to determine how strategic leadership influences performance of manufacturing companies in Kenya. The process of collecting data in order to answer questions concerning the current status of the subject in the study is a descriptive research design (Brewer, 2010). Variables involved do not involve any manipulation and established the current status of the phenomena hence this research design was considered appropriate. According to Eriksson and Kovalainen (2008), a descriptive research design is concerned with descriptions of phenomena or characteristics associated with a subject population (that is, the who, what, when, where and how of a topic), the estimation of the proportions of a population that have these characteristics and the discovery of the associations among these different variables, or a type of study in which information is collected without making any changes to the study subject.

3.3 Target Population
According to Collis and Hussey (2009), a population is a precisely defined body of people or objects under consideration for statistical purposes. The target population under study comprises of 7 management staff, 29 supervisors and 46 support staff at Zenko Kenya Limited in Kenya.

<table>
<thead>
<tr>
<th>Table 3.1: Target Population</th>
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<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>Management staff</td>
</tr>
<tr>
<td>Supervisors</td>
</tr>
<tr>
<td>Support staff</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
3.4 Sample and Technique
The process of selecting units from a population of interest with the intention of using the results to draw conclusions about the population from which they were chosen is called sampling (Brewer, 2010). A stratified random sampling technique was adopted in this study. According to Swanborn (2010), stratified random sampling technique is a method where the population is divided into subgroups and then a separate sample unit is selected from each subgroup. This method has two main advantages which include; First; this method ensures that a small group within the population is adequately represented in a sample in order to compare it to the larger sample and secondly this method reduces sampling errors by giving the researcher a greater control over the composition of the sample, especially in variables where it is important that the sample be representative. A sample population of 33 is arrived at by calculating 40% of the target population of 82 as recommended by Kothari (2004).

Table 3.2: Sampling Frame

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Ratio</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top level management</td>
<td>7</td>
<td>0.4</td>
<td>3</td>
</tr>
<tr>
<td>Mid-level management</td>
<td>29</td>
<td>0.4</td>
<td>12</td>
</tr>
<tr>
<td>Low level management</td>
<td>46</td>
<td>0.4</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82</strong></td>
<td><strong>0.4</strong></td>
<td><strong>33</strong></td>
</tr>
</tbody>
</table>

3.5 Instruments
The study collected both primary and secondary data. Primary data was collected using questionnaires. A self-administered structured questionnaire was used as the data collection tool used for this study. According to Andre (2012), a questionnaire is a data collection technique in which a person is asked to answer the same set of questions in a predetermined order.

3.6 Pilot Study
McDaniel and Gates (2010) define pilot study as a screening procedure that involves a trial run with a group of respondents to iron out fundamental problems in the survey design. During the pilot study, the researchers look for misinterpretations by respondents in the questionnaires, lack of continuity in their response and general respondent reaction to the interview (Shuttleworth, 2014). The questionnaires which were designed by the researcher based on the research questions were pilot tested before they could be administered to the selected sample and this was so as to refine the questions.
3.6.1 Validity Test
As Kimberlin (2008) explains, although an instrument can be reliable without being valid, validity requires an instrument to be reliable. Validity is used to check whether questionnaire is measuring what it purports to measure. The instrument the researcher sought opinions of experts in the field of study especially the lecturers in the department of business administration is used to establish the validity of the research. The content validity of the data that was collected was improved by use of validity test.

3.6.2 Reliability Test
The degree to which a measure supplies consistent results is called reliability (Zikmund, 2003). Internal consistency techniques were applied using Cronbach’s Alpha in order to test the reliability of the instruments. The range of alpha value is between 0 and 1 with reliability increasing with the increase in value. Acceptable reliability is indicated by a Coefficient of 0.7 which is a commonly accepted rule of thumb (Mugenda, 2008).

3.7 Data Collection Procedures
The questionnaires were self-administered to the respondents for this study. According to Wolf (2015), self-administered questionnaires (SAQ) are instruments designed to be completed by a respondent without intervention of the researchers (or an interviewer) collecting the data and can also be used in conjunction with other data collection modalities directed by a trained interviewer. The questionnaire was administered using a drop and pick later method to the sampled respondents. The researcher clarified on any questions that were unclear to the respondent.

3.8 Data Analysis and Presentation
The data collected was edited and cleaned of errors or omissions which could interfere with the accuracy of the findings. Analysis is an important process as it makes data sensible. Data analysis tool used is dependent on the type of data to be analyzed depending on whether the data qualitative or quantitative. The quantitative data in this research was analyzed by descriptive statistics such as frequencies, percentages, mean scores and standard deviations using statistical package for social sciences (SPSS) version 24.0.

3.9 Ethical Considerations
As per Phaneuf (2009), ethics is a philosophy branch that deals with what needs to or not to be done the time you face a moral problem. The BBC (2015) terns ethics as a moral
principles system which defines what is good for individuals and the society at large. As per Cooper and Schindler (2014), there are various ethical issues in academic research which comprise: deception, which refers to a deliberate falsification of facts associated to the aim, nature or investigation results.

As a result of collected information sensitivity, the researcher has a moral responsibility of treating the data with high confidentiality. Because the respondents might be unwilling to reveal some data, the investigator have to assure the respondents of information given confidentiality. When carrying out the study the researcher made sure that ethics for research are followed. The researcher achieved this by explaining to the respondents the study nature before the administration of questionnaire. Describing the study nature assured the respondents their anonymity and the respondents were therefore cooperative. Participating in the study was voluntary. The researcher explained to the respondents about the study objectives assuring them that the information they gave was only used for purposes of academics.
CHAPTER FOUR
DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction
This chapter focuses on the data analysis, interpretation and presentation of the findings. The study focused on establishing the influence of strategic leadership on performance of manufacturing companies in Kenya based on a case study of Zenko Kenya Limited. Descriptive statistics were adopted and the results were presented in tables.

4.2 Response Rate
The researcher administered questionnaires to 33 respondents out of which 31 questionnaires were completed and submitted back. This represents a response rate of 93.9%. This implies that the response rate obtained was good and enabled generalization of the findings as it is similar with Best and Khan (2003) who holds that above 50% response rate is good.

4.3 Background Information
The researcher was interested in the respondents’ general information including their gender, how long they have been working in Zenko Kenya Limited, highest level of education and age bracket. Their responses were as presented in subsequent subsections.

4.3.1 Gender of the Respondents
The researcher was interested in establishing gender distributions of the respondents. The Table 4.1 indicated the findings.

Table 4.1: Gender of the Respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>21</td>
<td>67</td>
</tr>
<tr>
<td>Female</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>100</td>
</tr>
</tbody>
</table>

From the results, most of the respondents were male as shown by 67% while the rest were female as illustrated by 33%. This implies that the researcher obtained reliable information from all the respondents regardless of the gender.

4.3.2 Period of Working in Zenko Kenya Limited
The researcher requested the respondents to indicate how long they have worked in Zenko Kenya Limited. Their responses were presented in Table 4.2.
Figure 4.2: Period of Working in Zenko Kenya Limited

The findings show that, majority of respondents indicated that they have been working in Zenko Kenya Limited for 9 to 12 years as shown by 50%. Further the respondents indicated that they have been working in Zenko Kenya Limited for 3 to 9 years as shown by 31.1%, for a period of above 12 years as shown by 18.4% and for a period of less than 5 years as shown by 0.5%. This shows that most of the respondents had worked in in Zenko Kenya Limited for long hence they understood and gave the information being sought by the researcher.

![Bar Chart]

4.3.3 Highest Level of Education

The respondents also were asked to state their highest level of education. Their responses were as indicated in Table 4.3.

<table>
<thead>
<tr>
<th>Highest Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma</td>
<td>4</td>
<td>14.2</td>
</tr>
<tr>
<td>Degree</td>
<td>19</td>
<td>61.3</td>
</tr>
<tr>
<td>Masters</td>
<td>4</td>
<td>12.7</td>
</tr>
<tr>
<td>PhD</td>
<td>4</td>
<td>11.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

From the findings, 61.3% of the respondents indicated that their highest level of education was degree, 14.2% of the respondents indicated that their highest level of education was diploma, 12.7% of the respondents indicated that their highest level of education was masters and 11.8% indicated that their highest level of education as PhD. This revealed that majority of the respondents were learnt enough and were able to comprehend the subject under study and hence they gave correct information.
4.3.4 Age Bracket

The researcher also asked the respondents to indicate their age bracket. Their responses were as shown in Table 4.4.

**Figure 4.4: Age Bracket**

The results show that, respondents who were aged between 41 and 50 years were 40.6%, 24.5% of the respondents were aged between 20 and 30 years, 21.2% of the respondents were aged between 51 and 60 years with only 13.7% of the respondents aged 31 to 40 years. Therefore, this shows that the researcher got reliable and accurate information since it was obtained across all the required age groups.

![Age Bracket Graph](image)

4.4 Good Communication of Strategic Direction

By use of Likert scale the respondents were asked to indicate the extent to which good communication of strategic direction influence performance of Zenko Kenya Limited. Table 4.5 presented their responses.

**Table 4.5: Influence of Good Communication of Strategic Direction on Performance**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission</td>
<td>4.1557</td>
<td>0.8595</td>
</tr>
<tr>
<td>Vision</td>
<td>3.5377</td>
<td>0.7930</td>
</tr>
<tr>
<td>Goals</td>
<td>2.5755</td>
<td>0.6946</td>
</tr>
<tr>
<td>Core values</td>
<td>4.0519</td>
<td>0.8610</td>
</tr>
</tbody>
</table>

As shown in Table 4.5, the respondents indicated that Mission as expressed by an average of 4.1557, core values as illustrated by a mean of 4.0519 and vision as shown by a mean of 3.5377 influence performance of Zenko Kenya Limited greatly. However, the respondents indicated that goals as expressed by an average of 2.5755 affect the influence performance of Zenko Kenya Limited in a moderate extent.
4.5 Exploiting and Maintaining Core Competencies

The respondents indicated the extent to which exploiting and maintaining core competencies influence performance of Zenko Kenya Limited. Their responses were summarised in Table 4.6.

<table>
<thead>
<tr>
<th>Resources and Capabilities</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic intent</td>
<td>2.5373</td>
<td>.6355</td>
</tr>
<tr>
<td>Key work processes</td>
<td>3.9925</td>
<td>.6823</td>
</tr>
<tr>
<td>Knowledge management</td>
<td>4.1926</td>
<td>.6168</td>
</tr>
<tr>
<td>ICT</td>
<td>3.8714</td>
<td>.8246</td>
</tr>
</tbody>
</table>

Table 4.6: Influence of Exploiting and Maintaining Core Competencies on Performance

According to the findings, most of the respondents revealed that knowledge management as shown by mean of 4.1926, that resources and Capabilities as expressed by an average of 4.0716, that as indicated by a mean of 3.9925 key work processes and that ICT as shown by a mean of 3.8714 influence performance of Zenko Kenya Limited greatly. However, the respondents indicated that strategic intent as illustrated by a mean of 2.5373 in a moderate extent influences performance of Zenko Kenya Limited.

4.7 Developing Human Capital

The researcher also requested the respondents to indicate the extent to which developing human capital influence performance of Zenko Kenya Limited. The findings were as shown in Figure 4.7.

Figure 4.7: Developing Human Capital Influence Performance

The respondents indicated that knowledge as shown by a mean of 4.3166, recruitment processes as expressed by an average of 4.0612, training as shown by a mean of 3.9254 and that team building as shown by a mean of 3.8213 in a great extent influence performance of Zenko Kenya Limited. Further the respondents indicated that career progression as shown by a mean of 3.2168 and that skill as expressed by an average of 2.6269 in a moderate extent influence performance of Zenko Kenya Limited.
4.8 Sustaining Organizational Culture

The researcher requested the respondents to indicate to which extent sustaining organizational culture influence performance of Zenko Kenya Limited using a like scale of 1-5. Table 4.8 indicated their responses.

<table>
<thead>
<tr>
<th>Table 4.8: Influence of Sustaining Organizational Culture on Performance</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>3.919</td>
<td>0.967</td>
</tr>
<tr>
<td>Beliefs</td>
<td>4.382</td>
<td>0.656</td>
</tr>
<tr>
<td>Norms</td>
<td>4.302</td>
<td>0.905</td>
</tr>
<tr>
<td>Attitudes</td>
<td>3.449</td>
<td>1.134</td>
</tr>
<tr>
<td>Sharing of knowledge</td>
<td>3.929</td>
<td>0.654</td>
</tr>
<tr>
<td>Market culture</td>
<td>2.518</td>
<td>1.245</td>
</tr>
<tr>
<td>Leadership emphasis</td>
<td>3.991</td>
<td>0.811</td>
</tr>
<tr>
<td>Reward system</td>
<td>4.339</td>
<td>0.679</td>
</tr>
</tbody>
</table>

As from the findings in Table 4.8, the respondents indicated that beliefs as illustrated by a mean of 4.382, reward system as expressed by an average of 4.339 and norms as illustrated by a mean of 4.302 greatly influence performance of Zenko Kenya Limited. Further, the respondents indicated that leadership emphasis as shown by a mean of 3.991, sharing of knowledge as illustrated by a mean of 3.929 and values as expressed by a mean of 3.919 in a great extent influence performance of Zenko Kenya Limited. However, the respondents also reported that attitudes as shown by a mean of 3.449 and market culture as expressed by an average of 2.518 in a moderate extent influence performance of Zenko Kenya Limited.
4.4.5 Performance of Zenko Kenya Limited

The researcher also asked the respondents the trend of the various aspects on performance of Zenko Kenya Limited in the last 5 years. Figure 4.9 presented their responses.

**Figure 4.9: Trend of the Various Aspects of Performance of Zenko Kenya Limited**

As per the findings in Table 4.9, by use of Likert scale the respondents reported that dividends paid as expressed by an average of 4.3491, membership growth as expressed by an average of 4.0094 and customer service quality as illustrated by a mean of 3.8726 for the last five years had improved. However, the respondents also indicated that profitability (return on investment) as shown by a mean of 2.6509 had been constant over the last five years.
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents summary of the findings, conclusions and recommendations. The purpose of the study was to assess the influence of strategic leadership on performance of manufacturing companies in Kenya with a specific focus of a case study of Zenko Kenya Limited.

5.2 Summary of Findings

5.2.1 The influence of good communication of strategic direction on performance of Zenko Kenya Limited was sought. The study found that mission, core values and vision influence performance of Zenko Kenya Limited greatly. The study also revealed that goals affect the influence performance of Zenko Kenya Limited in a moderate extent. The findings were in agreement with those of Louw and Venter (2006) who argues that it is vitally important for strategic leaders, during the execution of strategic changes to use the right communication timely to translate the strategy into a vision that sets the organization’s strategic direction.

5.2.2 The influence of exploiting and maintaining core competencies on performance of Zenko Kenya Limited. The study found that knowledge management, that resources and capabilities, that key work processes and that ICT influence performance of Zenko Kenya Limited greatly. The study also found that strategic intent influence performance of Zenko Kenya Limited in a moderate extent. The findings are in line with Draft (2011) who noted that organisations are constantly challenged by crises that rapidly change. Addressing these growing and increasingly complex humanitarian emergencies and crises will not only require long-term strategic vision and plan based on a comprehensive risk-management framework, but also improved tactical responses. Strategic planning is a mechanism for inspiring organizational members through creating a vision and also a sense of mission and driving performance by establishing long-term targets.

5.2.3 Influence of developing human capital in performance of Manufacturing companies in Kenya. The study found that knowledge, recruitment processes, training and that team
building influence performance of Zenko Kenya Limited in a great extent. The study revealed that career progression and that skill influence performance of Zenko Kenya Limited in a moderate extent. This was in agreement with Dimitrios, et al. (2013) who indicated that it can be difficult to implement strategic leadership in non-profit organizations due to environmental complexity of the organization and its work which is based on volunteerism compared to corporate counterparts. Findings also show that the scope of the interventions and programming is short term. Short-term planning and programming perspective is encouraged by donor funding and many international staff and this often inhibits the ability to sustain such a vision with any consistency and the development of a longer-term vision.

5.2.4 Sustaining organizational culture contributes to performance of Manufacturing companies in Kenya. The study found that beliefs, reward system and norms greatly influence performance of Zenko Kenya Limited. The study also revealed that leadership emphasis, sharing of knowledge and values in a great extent influence performance of Zenko Kenya Limited. The study further revealed that performance of Zenko Kenya Limited is influenced by attitudes and market culture in a moderate extent. This concurs with Levine, et al. (2011) who indicated that it has become a burden when doing contingency planning and that training for contingency planning in workshops and also writing lengthy plans every year takes too much time. The authors further argued that, many contingency plans across Kenya, Somalia and Ethiopia they rarely include the elements that would actually help speed up response if the contingency did occur and are long documents with a great deal of information.

5.4 Conclusion
The study concluded that good communication of strategic direction influence performance of Zenko Kenya Limited since mission, core values and vision of the firms had a great influence on the performance of Zenko Kenya Limited greatly. It was also clear that firm goals affect the influence performance of Zenko Kenya Limited moderately. The study also concluded that exploiting and maintaining core competencies on performance of Zenko Kenya Limited as a result of great influence of knowledge management, that resources and capabilities, key work processes and that ICT influence on performance of Zenko Kenya Limited.

Moreover, the study concluded that developing human capital influence performance of Manufacturing companies in Kenya since aspects like knowledge, recruitment processes,
training and team building have great influence on performance of Zenko Kenya Limited. The study concluded that sustaining organizational culture contributes influence performance of Manufacturing companies in Kenya since its aspects like beliefs, reward system, norms, leadership emphasis, sharing of knowledge and values influence on performance of Zenko Kenya Limited in a great extent.

5.5 Recommendations

5.5.1 Strategic purpose and vision
It is recommended for the firm management in Kenya focus on determining strategic purpose and vision in their organisation as verified in this study. This will ensure that leadership and the employees are moving in the same direction since it assimilates the goals of the organisation with those of the individual employees. They also need to focus on effectively managing the resources. This aspect will enhance the competitive advantage of their organizations over their rivals. The organisation is able to get the best out of the resources at its resources.

In an organisation, controls assist managers to build reliability, validate the importance of their plans to stakeholders and endorse and back strategic change. The firm’s leadership is the one tasked in fostering an optimum balance between the various controls that exist in an organisation. From this study balanced organizational controls have not been highly emphasized and therefore it is highly recommended that firms in Kenya should effectively apply balanced organizational controls to realize good performance. Strategic leadership practices need to be assessed and adapted in the firms in Kenya. This has proved the case in the assessment of strategic leadership in this study. There is now a requirement for strategic leaders in firms in Kenya who can explore the opportunities in this turbulent environment.

5.5.2 Enhance productivity of employees
Regarding human capital development much more need to be done to enhance productivity of employees. Firms need to carry out training to enhance the employee competence. These competencies include: learning skills, problem-solving skills, personal skills, communication skills and social skills. In addition to these, more important are skills which are directly required for work can be developed through schooling.

To survive in the highly competitive business environment coupled with rapid technological changes there is need for manufacturing firms to enhance strategic leadership actions by
aligning rewards and incentives to performance goals, innovation or creativity. The strong correlation between these two suggests that there would be increase in performance if they are enhanced. It is also recommended that boards of directors avoid high management turnover to allow for the minimum period of time required for implementation of strategic plans as well as manage new business strategies.

5.5.3 Effective communication of strategy
The study recommends that management should ensure that strategic issues are communicated at the right time to achieve the strategic goals through effective communication, to achieve high performance culture and strategy should be compatible and for successful strategy execution there is need to point out key functions and tasks necessary to be undertaken, provide coordination of groups activities into organization units among various organizational units and determine the degree of authority to give to each unit.

For the department to achieve its objectives technology plays a big role. The study therefore recommends a world class state of technology should be employed by firms. This is in terms of infrastructure, equipment and skills. Performance Management is an enabling factor related to the organization and a contributor to successful strategy implementation. The future direction of the organization requires all employees to be stakeholders. The specific milestones and core values identified by the strategic plan should be used to measure employee’s daily performance and activities.

5.6 Suggestion for Further Research
This study dealt with the effect of on performance of manufacturing companies in Kenya based on a case study of Zenko Kenya Limited. Therefore, this study should have replicated based on other manufacturing companies in Kenya. The study also recommends that another study should be done to establish the effect of strategic leadership on the performance of county governments in Kenya.

It is recommended that future research focus on strategic leadership and performance of firms in all major sectors of the economy. Alternatively, a comparative study of various sectors could be undertaken. It is recommended that future research focus on the role of strategic leadership efforts in the performance of public organizations. importance.
REFERENCES


International Conference on Industrial Engineering and Operations Management (2014) *Proceedings of the Bali, Indonesia, January 7 – 9, 2014*


APPENDICES

APPENDICES APPENDIX I: INTRODUCTION LETTER

Dear Respondent

REF: REQUEST TO UNDERTAKE A STUDY

I am a student at Management University of Africa main campus in Nairobi. I am undertaking a Bachelor’s degree in Management and Leadership. For the purpose of fulfilling the bachelor’s degree requirements, I have to undertake a research on “Influence of strategic leadership on performance of manufacturing companies in Kenya”

I am collecting information for the study by distributing questionnaires to staff within this organization. Kindly spare some time to fill in the questionnaire. The data to be collected was treated with strict confidentiality or privacy.

Thank you for your co-operation.

Yours Faithfully,

Nadir Omar

BML/6/00078/3/2013
Appendix II: Research Questionnaire

This questionnaire is to collect data for purely academic purposes. The study seeks to investigate influence of strategic leadership on performance of manufacturing companies in Kenya. A case study of Zenko Kenya Limited. All information will be treated with strict confidence. Do not put any name or identification on this questionnaire.

Answer all questions as indicated by either filling in the blank or ticking the option that applies.

SECTION A: Background Information (Please tick (✓) appropriate answer)

1) Please indicate your gender: Female [ ]  Male [ ]

2) For how long have you been working in Zenko Kenya Limited?
   Less than 3 years [ ] 3 to 9 years [ ]
   9 to 12 years [ ] Above 12 years [ ]

3) State your highest level of education
   Certificate [ ] Diploma [ ] Degree [ ] Masters [ ] PhD [ ]
   Others (Specify) -------------------------------

4) Please indicate your age bracket
   20-30 yrs [ ] 31-40 yrs [ ]
   41-50 yrs [ ] 51 – 60 [ ]


Good Communication of Strategic Direction

5) To what extent does good communication of strategic direction influence performance of Zenko Kenya Limited?

   Where: 5- Very great extent 4- Great extent 3- Moderate extent
   2- Low extent 1- Not at all

<table>
<thead>
<tr>
<th>Mission</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Goals
Core values

**Exploiting and Maintaining Core Competencies**

6) To what extent does exploiting and maintaining core competencies influence performance of Zenko Kenya Limited?

Where: 5- Very great extent 4- Great extent 3- Moderate extent
2- Low extent 1- Not at all

<table>
<thead>
<tr>
<th>Resources and Capabilities</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic intent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key work processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Developing human capital**

7) To what extent does developing human capital influence performance of Zenko Kenya Limited?

Where: 5- Very great extent 4- Great extent 3- Moderate extent
2- Low extent 1- Not at all

<table>
<thead>
<tr>
<th>Knowledge</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recruitment processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career progression</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sustaining Organizational Culture**

8) To what extent does Sustaining organizational culture influence performance of Zenko Kenya Limited?
<table>
<thead>
<tr>
<th>Values</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beliefs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitudes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharing of knowledge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership emphasis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reward system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Performance of Zenko Kenya Limited**

9) What is the trend of the following aspects on performance of Zenko Kenya Limited for the last 5 years? Where, 1 = greatly decreased and 5 = greatly improved.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability (Return on investment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer service quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you for participating