

# Transformational Leadership versus Organizational Change in Kenya: Empirical Review

Douglas Lukhova<sup>1</sup>, Dr. Joanes Kyongo<sup>2</sup>

School of Business and Economics, Daystar University, Nairobi – Kenya. P. O. Box 44400 – 00100  
Corresponding author Email: [dickmay2012\[at\]gmail.com](mailto:dickmay2012[at]gmail.com)

**Abstract:** *Transformational leaders are key to successful implementation of organizational change. The characteristic of a transformational leader of inspiring, motivating and creating a vision where each one in the organization rallies is critical in realizing the pre - defined goals. A more meaningful leadership creates vision, a good working environment, motivation of employees and bring in a different culture of doing things. In this modern era, change is inevitable and many organizations have metamorphosized to remain competitive considering the turbulent circumstances in technology transition in way of life to new transformation. To respond to these changes, organizations have to undergo a paradigm change in how leadership should be perceived and applied in the organization. Transformational leadership can be seen in a variety of principles encouraging employees to look at the common good, the positive values and build an arena where each one feels valued and appreciated and to cultivate an environment where every employee feels safe and comfortable. This study has examined transformational leadership using some of its characteristics mainly: creating vision, motivating employees, innovative ways and personal appreciation of each team member. the research was anchored on the following theories; transformational leadership theory; Goal path theory and Servant Leadership theory. transformational leadership theory.*

**Keywords:** Transformational leadership, organizational change, vision, innovative ways

## 1. Introduction

Executives around the world are spending much time recently concerned about organizational change versus transformational leadership than ever before Zhang, (2014). Existing literature combines the interactions of transformational leadership, knowledge management, and firm performance. The purpose of this article is to synthesize the extant literature on these organizational factors in the field of management. I expand on this concept by attempting to better understand the mechanisms by which transformational leadership influence has on change management. Literature review is conducted to identify the relationships between transformational leadership, and change management in an organization. The nature of the influence exists between transformational leadership and change management suggests several complementary insights for the existing literature Ramsey *et al.*, (2017). The study focus on this critical role of transformational leadership allows for a rich basis for understanding the mechanisms by which change is managed is better managed by transformational leadership. The study addresses this gap by determining how transformational leadership influences change management. This study will also be supported by the following variables: intellectual stimulation, individual consideration, inspirational motivation and idealized variables will be, individual intrinsic motivation together with development of new ideas and innovation in the workplace can be accelerated in the organization.

Tremendous changes taking place at organizational level call for higher level of leadership or leadership styles that is transformative that is change oriented. In order to face this turbulent world organizations have altered the way they carry out business mainly from transactional leadership perspective to a more change - oriented leadership approach, transformational leadership Abbas, (2021). The pressure and the challenges of organization in implanting change

management and stakeholders push for change has made most organization to seek for the kind of leadership to cope with the demand. Transformational leadership encourages among other things values, safe environment to work in, feel of appreciated, motivated, teamwork and hence goal attainment. Transformational theory has been studied by many scholars all over the world and most have found a correlation between successful implantation of change in an organization and the kind of leadership; Transformational leadership theory influences change management in an organization.

Li (2020) asserts that there is very high correlation between change management and leadership style and successful change management in an organization. Transformational leadership has led organization to have new innovation, faster process and new team spirit among employees. Spirit of high achievement, clear focus, and have a goal - oriented team. Transformational leadership brings in good working atmosphere for employees, staff are appreciated and rewarded for the effort they show when working.

### Transformational Leadership

In today's working environment transformational leadership plays a significant role in enabling the organization to combat the various challenges facing it. Transformational leadership has the motivation to inspire other team members reach their best, incubate their skills and instill innovation culture to ensure higher level of achievement and to advanced intellectual levels. The transformational leader goes beyond the expected and urge his followers to achieve more than the expected. (Apuke, 2017) suggested that transformational leadership as the leadership that works beyond the normal and require higher incentives for performance, mold and motivate employees intellectually and creatively. By doing so the leader transform subordinates views into critical sphere of the organization's mission.

According to Zhang (2014) transformational leadership generate a vision for the organization. Ciulla (2020) opine that transformational leadership is a design of leadership that needs to make drastic change from the current situation of doing things through identification the followers to the new direction by his inspiration, encouragement, and rewards towards the realization of the vision for the purpose of recognizing common goals. According to *Abbas et al.* (2021) transformational leadership is well explained using four dimensions, idealized influence, inspirational motivation, intellectual stimulation and finally enablement, leaders where a leader works with subordinates and helps them to grow through empowering them, subordinates to make decision and deliver them.

According to Christensen (2020) transactional leadership is felt when employees see effectiveness, efficient, trust among the team, respect for each team member, each individual contribution is highly appreciated by both the leaders and team members. In transactional style of leadership, employees feel motivated, pushes their performance beyond the expectation and in return the leader rewards them through promotions, bonuses, and even paid - up vacation for the exemplary performance. Employee motivation comes from outside employees. Form transformational leadership employees are motivated to follow the leader Ciulla (2020). Moreover, transformational leaders are clearly the ones who establish networks with environmental components, thereby adopting the idealized influence aspect necessary in developing relationships and interactions.

### **Transformational Leadership and Organizational Change**

Change management is considers one of the most important challenges that face the management leadership, which required crucial planning and providing resources to cope with the both internal and external variations in business environment and to find suitable solutions. Tuchman According to Burns (1978) change management is process that encompasses moving the organization from its present circumstance to desired goal. Creativity and innovation remain key in transformational leadership. Change management is an organized approach that steer employees through turbulent times when a shift from the current way of doing things is required or a shift in customer demands (Apuke, 2017). Effective change management combined with transformational leadership has the potential enhancing employee engagement and alleviate frustration associated with operational and technological changes, create high working culture and innovation. It ensures the acknowledgment and consideration of employees' feedback, achievement time value of employee and reward them Salas (2020). Additionally, change is very costly and to minimize transformational leader plays a great role and further reduces the risks associated with change, optimizing project management and enhancing returns on investment for projects. Change management entails comprehending the dynamics of change, preparing for it, and executing strategies to alleviate resistance, ensuring a successful adoption process.

Managing change efforts shows the need to find dissatisfaction at the present situation. In order to obtain a

serious desire for future situation, organizations need to build a clear strategy to achieve its vision (Kotler 1997). Change is a fundamental trait of transformational leadership, as in the current leadership literature, transformational change is based on the change that will be made in the behavior and attitudes of followers.

Tang (2019) assert that transformative leadership moves beyond the leadership to execute the action. Transformational leaders motivate instill discipline and brings every employee to rally behind the vision through encouragement, inspiring each one to do the best and even promises reward to create the desired change. The innovation will, find a way and to grow the vision and achievements of corporate objectives. Carreiro (2019) opined that transformational pushes employees the organization to rally the team around the vision and the leader to work for the greater good. They sacrifice their self - interest for that of the group or the organization. The foundations for this leadership style are positive interpersonal relationships and employee ownership and independence Salas (2020). Organizations must continually confront the necessity to adjust and develop to maintain competitiveness. Whether it's the integration of new technologies, restructuring processes, or introducing organizational transformations, navigating change can be demanding and affect both individuals and the organization.

Transformational leaders preach fairness, peace, appreciation of individuals and liberty. Krishna (2001) in his study found that successful change implementation can only happen when the organization practice transformational leadership by through stimulating and motivating members to realize the greater goal. To transform the team the leaders, have to have high characteristics of achieving transforming' values, attitudes, and motives from team to higher level of maturity. Mostafa (2020) asserts that higher level of leadership styles is needed to inspire employees and motivate them to embrace change. In his study there were both management and junior employees 12 and the rest were junior staff. The study involved five leadership styles on of them being transformational leadership. The conclusion of the study was that transformation leaders achieved more and employees were motivated encourages compared to others. Similar studies done by Silvestre (2019) on various characteristics of transformational leader and its effect in change management arrived at same conclusion leadership style plays a key role.

In recent times transformational leadership has metamorphized into one of the great leadership styles in the world business arena Islam (2021). The key tenet of transformational leadership emanates from bringing renewed change to both employees and their leaders. This idea envisages creation of a joint effort where leaders and the followers strive to attain a specific and higher organizational goal. *Zuraik et al.*, (2019) conducted research to explore how a transformational leadership has affected organizational innovation in various instances including climate and innovation. The study concluded that organization with transformational leaders had a positive impact on organizational innovation. The study conclusion indicates that those organization with transformational leadership the

organization had a culture of inspiring, motivating employees, higher goals, and encouraging innovation. Transformational leadership works well in an environment that incubate creativity, innovation, team work and change culture. Torre (2020) studied transformational leadership and their effects among certain firms in Asia. In summary the study concluded that transformational leadership has a significant influence on team change management compared to other leadership style and more effective to the followers. Encouragement from role model, transformational leader enabled the employees achieve success through collective.

Mwaniki (2020) in research entitled "influence of individualized transformational leadership on organizational performance of selected SACCOs", where he tried to determine the influence of individualized transformational leadership on organizational performance. The investigation was to determine the effect of "individualized consideration" has on an organizational performance of Sacco's. Using descriptive research design, he selected sample of 49 saccos as respondents out of a population of 160. The study concluded that individualized consideration had a significant strong positive influence performance of Sacco's. Individualized consideration had a high impact in striving organizations in achieving its objectives. The study observed that to succeed in its objectives the organizations have to constantly review the need for individualized consideration of like diversity, rewords, effort of the individual, and recognition. The same conclusion was also seen in the study carried out by *Li et al. (2019)* where he observed that transformational leadership had an impact on employee innovation, creativity and work culture. Key elements such as trust, setting higher level goal have shown positively influence on employee's work.

According to Jaroliya (2022) in his study "Transformational leadership style: a boost or hindrance to team performance in IT sector" where he collected data from 354 employees from IT related companies and analyzed the data using Statistical Product and Service Solutions. The study concluded that that there was a significant positive influence between the transformational leadership style and team performance. The study also concluded that transformational leadership strive to work towards team performance hence increase creativity and innovation. Similar studies undertaken by *Tseviridou et al. (2019)* suggest supported the above findings idealized influence had a positive and significant correlation with job satisfaction, innovation and creativity.

According to Aymn (2021) in the study "transformational leadership style and its relationship with change management" where he set out to determine the relationship between various characteristics of transformational leadership: Idealized, stimulating motivation, Logical stimulation and empowerment and change management in Jordanian Insurance companies. The research used 500 respondents. After analysis the study discovered that the characteristics associated with transformational leadership (Idealized, Inspirational, Intellectual stimulation and Enablement) had a positive effect on change management in many Jordanian Insurance companies.

*Rizkillah et al. (2022)* in research done on banking employees in Mataram City, Indonesia, to establish what effect psychological capital, organizational commitment, and transformational leadership on organizational citizenship characteristics. They concluded that psychological capital had a positive and significant influence on organizational commitment, also transformational leadership were influenced by same factors but in a positive way.

Kubai (2023) studied various leadership styles impact on organizational performance of private universities in Kenya. The study objectives were to establish if there is any relationship between transformational leadership and performance of the Company, together with other variables using a moderating factor of perceived supervision support on the relationship between full range leadership and organizational performance. The study was contacted from a target population of 17 chartered private universities in Kenya and analyzed. The conclusion of the study was that various leadership styles exert different and varying degree of significance on performance of institution of higher learning in Kenya. Moderating factor "perceived supervision" had no effect. This study was supported by same study but done on Thailand universities by *Jidapa (2022)* where suggested that, Transformational leadership is greatly valued by employees throughout the organization, and is positively influenced by job characteristics, team learning culture and innovation.

A study done by *Hannah (2023)* on the impact of transformational leadership on risk - based pricing model by commercial banks within Nairobi County using factors: influence of idealized on risk - banks model, how intellectual stimulation is affecting banks risk - model, individualized consideration inspirational motivation. Transformational leadership and arbitrage pricing theories were applied with descriptive research design from a population of 234 bank managers. The results were that key variables under the study greatly influenced bank risk - based pricing model ( $p$  - values < 0.05). Further the results suggested that having a transformational leader and set goals or strategies enhances the culture of risk - taking. Valuable lessons were drawn from the study in assisting commercial banks demonstrating the potential of transformational leadership in in risk management strategies. *Magambo (2023)* did a study on transformational leadership style, organizational culture and talent management practices using the following objectives idealized, inspirational motivation intellectual stimulation individualized influence on talent management tenets in the insurance industry. The study utilized transformational leadership theory and Denison Organizational Culture Model. Study population was 2832. The study concluded that the existing culture had a significant influence on style of leadership and talent management practices in the organization.

*Para - González et al. (2018)* investigated the possible mediating mechanisms (HRM, learning and innovation) that could exist in the relationship between transformational leadership and organizational change. This topic has been studied only by a few groups of researchers and these researchers have not analyzed all these concepts jointly. This research explores these relationships using Partial Least

Squares with data from privately listed companies on Nairobi stock exchange. Analyzing the mentioned relationships in the Kenyan context has been done by few researchers before and current study will contribute to increase the pot. Further, few studies empirically showed a direct connection between transformational leadership and change management *Kariuki et al. (2022)*.

## 2. Methodology

To determine the influence transformational leadership proposed for effective handling of change the study used interpretive research model, the inductive investigate style and an investigative qualitative design. This research was ideal due to examine a comprehensive critical assessment of key transformational leadership features and characteristics of the leaders involved in change management in Kenya

### Sampling

To gather key transformational characteristics from the leaders involved in change management the sample was only taken from chief executive and Human Resource directors of 48 small and medium listed companies at Nairobi stock exchange.

### Data analysis

After completion of data collection, the analysis was carried out using thematic analysis (Clark 2010). Significant themes highlighting the influence and shortcomings of transformational leadership on change management the tabulated. Further other relevant information was also collected to assist the key variables in analysis of the data. This other information was gotten from journals. Books and magazine all from business management.

## 3. Findings

This segment analyses how transformational leadership characteristics influences change management in an organization. The significant themes analysed were: charismatic characteristics, Inspirational consideration, employee motivation level, intellectual stimulation and idealized characteristics.

### Statistical analysis and results

The correlation analysis was applied in measurements of relationship between the variables both independent and dependent in in - depth analysis in determining the influence of transformational leadership on change management. To analyse the results Inferential and descriptive were applied to the data. The conclusion of the study revealed high positive level of correlation between transformational leadership and change management in an organization. Change management in an organization was greatly influenced by Transformational leadership ( $r=0.878$ ,  $p < 0.01$ ). Further, the other subordinated variables: idealized, motivation, intellectual stimulation and individualized characteristics were measured for their correlation.

## 4. Conclusion

Transformational leadership plays a key role in change management by creating a conducive environment where the employees can showcase their talent, feel appreciated, motivated working on a shared vision but challenging. Organizations can navigate change successfully by grounding strategies in well - established theoretical models and addressing resistance through proactive measures. The key lies in recognizing the human element in change and fostering a culture that embraces adaptability, innovation, and continuous improvement.

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