Effect of Leadership Involvement on Strategy Implementation in the Energy Sector Parastatals in Kenya

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Abstract: *The study sought to establish the influence of leadership involvement on strategy implementation in Energy Sector Parastatals in Kenya.The sample population for the study was 312 comprising of 121 Middle Level Managers and 191 Chief Officers of all the 6 Energy Sector Parastatal firms in Kenya. The study adopted descriptive survey research design and data was collected through well designed questionnaires and was analyzed using descriptive and inferential statistics. The study found out that Leadership Involvement have positive influence on strategy implementation in the Energy Sector Parastatals in Kenya. The study also established that leaders working as a team with other staff in the organization are likely to execute their organizational strategies successfully and free flow of all communication between employees in the organization can help in the execution of strategy successfully and lastly motivation of employees helps to achieve successful implementation of the strategy. The study came up with the following recommendations: Leaders should motivate employees in the organization and Leaders should facilitate clear communication of organizational objectives to all staff in the organization.*

1. Introduction

1.1 Background of the Study

Leadership is a critical element to formulate and implement the strategy. It is a link that relates the soul of organization with its body (Mathew, 2009). It is the commitment of the leader that drives the organization toward success by making efficient decisions for strategy formation and implementation (Gordon, 2002). Great strategies are nothing if they cannot be implemented perfectly. Less than 50% of formulated strategies get implemented because of lack of leadership skills. A Leader is to decide what to do and how to do (Hornsby, 2000). According to Winston Churchill the "price of greatness is responsibility" so great strategies can only be formulated and implemented with responsible leadership. Leadership relates with every aspect in the organization that ensure effectiveness (William, 1998). It is the obligation of leadership to forecast the need of organization by a careful reality based analysis and try to make effective plans to meet the requirement of change (Maccoby, 2003).

Strategic leadership refers to a set of behavior associated with the creation of organization vision, development of strategies and establishment of a culture for change (Mareen, 1999). Basically strategic leadership provides the vision, direction and the purpose for growth and context for the success of corporation. Strategic leadership tells the people what to do and how to do Vadim, (2004). According to John C. Maxwell "A leader is one who knows the way, goes the way, and shows the way". Generally leaders introduce the need for change in the organization by evaluation of organizations internal and external environment. Once they provide the vision the next step is to formulate the road map or strategy to achieve that vision after providing the way, the next step is to direct the people towards change. To direct

people a leader can use motivational tools (Collin, 2005 and Sami, 2012).

Generically a leader in an organization provides the vision, the leader strategically thinks and plans administrate the operational activities. Further a leader tries to fit organization according to the requirement of situation. Leaders spread energy, boost the morale by spirit. A leader develops the relationships with all the stakeholders. And most importantly a leader ensures teaching and learning in the organization (Azhar, Ikram, Rashid and Saqib, 2013). Leadership is responsible to direct the subordinates to perform the organizational tasks effectively (Mason, 2011). Strategic leadership is a process that transforms organization into successful organization by proper strategies. It is the responsibility of leadership to motivate and inspire the people in the organization to work jointly so that the organization's vision can be translated into reality. Mostly in organizations efficient leaders, perform the common tasks in the strategy making and executing process. They develop a strategic vision and mission, sets goals and objectives, craft the strategies, execute it and then evaluate the performance (James, 2005 and Sean, 2005). The process of strategy formulation starts when a leader tries to change the thinking of people. Everyone should clearly understand the need for change and try to reflect flexible behavior for proper strategic planning (Azhar et al, 2013)

1.1.1 Energy Sector

The level and pattern of economic activity and demographic changes will be important determinants of future energy trends. (World Energy Outlook, 2015).World Gross Domestic Product (GDP) is assumed to grow at an average annual rate of 3.5% over 2013-2040, meaning it expands to more than two-and-a-half-times its current size. Supported by the anticipated rebalancing of Chinese growth away from manufacturing, and despite Indian intentions to stimulate manufacturing, nearly two-thirds of the growth comes from

the services sector, which is the least-energy intensive part of the global economy. The world's population is assumed to rise from 7.1 billion in 2013 to 9 billion in 2040, with the increase concentrated in Africa, India, Southeast Asia and the Middle East. India overtakes China to become the world's most populous country by the mid-2020s (World Energy Outlook, 2015).

1.2 Statement of the problem

Rajasekar (2014) did a study on the factors affecting effective strategy implementation in a service industry: A study of Electricity Distribution companies in the sultanate of Oman. (Beer and Eisenstat, 2000) did a study on the silent killers of strategy implementation and Learning in the United States. Beer and Eisenstat (2000) managed to deduce that it requires Leadership, Team work and Strategic direction to successfully implement a strategic plan. Mapetere, Mavhiki, Nyamwanza, Sikomwe and Mhonde (2012) did a study of strategic role of Leadership in strategy Implementation in Zimbabwe's State owned Enterprises. Kyalo, Katuse and Kiriri(2016) undertook a study on the effect of organizational Leadership on strategy Implementation in Kenya's Tourism Industry: Case of Kenya Government Tourism Agencies. Mbaka and Mugambi, (2013) did a study on factors affecting successful strategy Implementation in the water sector in Kenya. Kihanya (2013) did a study on challenges influencing the Implementation of Business strategies in public sector firms: A survey of Parastatals in the ministry of Agriculture. All the above studies have been conducted by different scholars on the effect of leadership practices on strategy implementation but no study has been conducted on Government Parastatals dealing with the Energy Sector, this prompted the researcher to research on effect of leadership practices on strategy implementation among the Parastatals in the Energy Sector in Kenya. The high failure rate of the strategy implementation effort in government bodies is a major area of concern since there is loss of critical resources, lack of services to the public and opportunity cost which leads to stagnated growth. This has been a major concern to policy makers in Government.

2. Literature Review

2.2.1 The Evolution of Leadership Theory
Leonard (2003) wrote that: "Early definitions viewed leadership in terms of group change, activity and process. In 1942, Redl considered a leader to be the central or focal person who integrates the group. In 1958, Raven and Frensh went further in identifying power as the basis for leadership. Later, in 1962, Machiavelli described influence, power and control as the key focus for leadership success. It was only in the mid-1980's that Bass (1985) and Bennis and Nanus (1985) described leadership as a transformative process that creates visions of a future state for the organisation and articulates ways for the followers to accomplish this goal. In 2000, at a conference presentation, Colin Powell provided a simple yet elegant definition that combines the essential elements of a number of the above viewpoints. According to Powell, leadership is the ability to motivate and inspire people to accomplish a significant vision. Powell, therefore, sees leadership as having an incremental effect beyond

transactional management. It takes leadership to motivate and inspire people when transformation of goals, structures, processes and incentives is required to accomplish good performance. Sean (2005) postulates that integral part of any leadership growth is through involving the other employees in the leadership process and more importantly imparting professional leadership skills through continuous training.

2.2.2 Path Goal Theory
The Path-Goal model is a theory based on specifying a leader's style or behavior that best fits the employee and work environment in order to achieve a goal (House and Mitchell, 1974). The goal is to increase your employees' motivation, empowerment, and satisfaction so they become productive members of the organization. Path-Goal is based on Vroom's (1964) expectancy theory in which an individual will act in a certain way based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual. The path-goal theory was first introduced by (Martin Evans 97) and then further developed by House (97).

The path-goal theory can best be thought of as a process in which leaders select specific behaviors that are best suited to the employees' needs and the working environment so that they may best guide the employees through their path in the obtainment of their daily work activities or goals (Northouse,2013). According to Gordon (2002) leadership involvement across all levels of organizations helps identify the specific behaviors that are best suited to the needs of employees and helps find the attractiveness of an outcome which will make employees act in positive ways. Capon (2008) points out that ability of a leader to mobilize resources for the growth of the organizations displays great leadership which is directed to a path which favors the growth of the organization, he further points out that for leaders to advance their leadership ability they must undertake vigorous training to inculcate leadership geared at achieving organizational goals.

2.2.3 Transformational Leadership Theory
Transformational leadership theory was introduced by leadership expert McGregor Burns in 1978 by distinguishing between ordinary (transactional) leaders, who exchanged tangible rewards for the work and loyalty of followers, and extraordinary (transformational) leaders who engaged with followers, focused on higher order intrinsic needs, and raised consciousness about the significance of specific outcomes and new ways in which those outcomes might be achieved (Barnett, McCormick and Conner's,2001; Judge and Piccolo, 2004). Transformational leaders are able to inspire followers to transcend their own self-interests and are capable of having a profound and extraordinary effect on followers. Transformational leaders build subordinates' respect and trust by ,behaving in a fair manner and doing what is right rather than what is expedient; by increasing followers' awareness of the mission or vision toward which they are working and raising followers' expectations of what they can achieve, thereby motivating them to pursue the group's goals; by encouraging their followers to look at old problems from new and differing perspectives, giving rise to followers' creative thinking and innovation; and, lastly by

granting individualized attention to their followers, considering their needs and abilities, playing an especially important role in the followers' growth and development. (Robbins 2004)

2.3 Leadership Involvement

Leaders must possess certain characteristics such as leadership skills, appropriate character, relevant experience, special skills and capabilities. According to Yabs (2010) leadership practices are influenced by special skills and capabilities commonly referred to as Personality traits. Studies have shown that a leader should possess some characteristics like persistence, self-confidence, be strong willed, have the ability to influence others and originate most of the decisions. For a leader to succeed in strategy implementation, a right set of skills should be involved which include formal education, character, experience and special skills like oratory skills.

An essential part of process management is coordinating activities of people and guiding their efforts towards the goals and objectives of the organization. Leadership is a relationship through which one person influences the behavior or actions of other people. (Omuoso, 2010).Employees interpret their leader's behavior based on their needs, such as the degree of structure they need, affiliation, perceived level of ability, and desire for control. For example, if a leader provides more structure than what they need, they become less motivated. Thus, a leader needs to understand their employees so they know how to best motivate them. Overcoming obstacles is a special focus of path-goal theory. If an obstacle becomes too strong, then the leader needs to step in and help the employee select a path to work around it.

The design of the task might call for the leader's support. For example, if the task is ambiguous, then the leader might have to give it more structure or an extremely difficult task might call for leader support. Formal authority system depending upon the task authority, the leader can provide clear goals or give the employee some or all control. Work group - If the team is non-supportive, then the leader needs to be cohesiveness and espouse esprit-de-corps that provides comradeship, enthusiasm, and devotion to all team members. The independent variables of Path-Goal Theory are the leader's behavior — the leader adjusts his/her style of behavior to the employee and task characteristics so that the employee's motivation is to excel at their goal. House and Mitchell (1974) defined four types of leader behaviors or styles: Directive, Supportive, Participative, and Achievement. They are based on two factors that were identified by an Ohio State University study behaviors (Stogdill, 2004).

3. Methodology

This study adopted a descriptive survey design. This design was used because it allows the use of primary and secondary data and it also allows the collection of quantifiable information from a sample in order to analyze and discover occurrences without manipulating the variables. Further this design was preferred by the researcher because the study sought to investigate the research problem and describe the relationship between variables. Kothari (2004) and Mugenda (2003)

The target population was the Middle Level Management and Chief Officers across the Six (6) fully owned Government Parastatals in the Energy Sector in Kenya.The sample population was 312 respondents (GDC 58, KPC 82, REA 42,NOCK 63, KETRACO 37,and KNEB 30).**Source: www.energy.go.ke (2012)**This population was suitable for the study since they were the leaders in charge of the implementation of strategy. A sample size was picked using purposive/judgmental sampling from the respondents who were selected on the basis that they have information which the researcher was looking for this study used primary data which was collected using structured questionnaires administered directly to the respondents. Questionnaires are commonly used when respondents can be reached and are willing to cooperate according to Mugenda and Mugenda (2004). The Questionnaire was divided into two parts: Part A sought to establish general details of the respondent and Part B was to seek information on the specific objectives of the study.

After it was collected the data was cleaned, coded and keyed into the computer to facilitate statistical analysis. The major aim was to remove unusable or contradictory data. It also helped to interpret ambiguous answers. Data was analyzed using a Statistical Package for Social Sciences (SPSS). Descriptive statistics was used to analyze data, arrange, summarize and present the major characteristics of the main variable as well as the relationship among the variables. Results were presented in the form of Pie-charts, Bar graphs and Frequency tables from which inferences and conclusions were drawn.

4. Findings and Discussions

From the findings,(Table 2) 55.6% of the respondents agree that leadership involvement impact greatly on the implementation of strategies in the organization,30.1 % of the respondents strongly agree that leadership involvement affect implementation of a strategy in organizations while 11.3% of the respondents disagree with the fact that leadership involvement affect implementation of strategy in organization1.9 % strongly disagree while 1.1%neither agree nor disagree , therefore these findings indicates that majority of the respondents agree and strongly agree that leadership involvement has an impact on the implementation of strategy in the various organizations.From the findings (Table3) when leaders work as a team with other staff in the organization, successful implementation of organizational strategy can be achieved. This is clearly showed by 53% of the respondents which indicated that they agree while 42.8% of the respondents indicated that they strongly agree .It's also clearly indicated from the above findings that when leaders motivate others implementation of organization strategy can be successful as shown by 52.4% and 43.1% of the respondents who agree and strongly agree .While 49.2% and 41.8 % of the respondents agree and strong agree that free flow of information between organizational leaders and subordinates enables successful implementation of organizational strategy. Majority of the respondents agree

that their managers allow other staff to work as a team as indicated by 39.2% of the respondents who agree while 16.7% of the respondents don't agree. Motivation and free flow of communication between management and other employees in organizations is practiced though at minimum levels as indicated by 35.5% and 24.5% of the respondents respectively Omuoso (2010) pointed out that motivation and free flow communications in organizations is practiced minimally though he said most leaders fail to motivate their employees and inspire them to achieve better results through open communication to the employees in most public sector organizations

The findings indicates that leadership involvement has a great impact on the implementation of organizational strategy ,it also indicates that successful implementation of organizational strategy can be achieved when leaders involve teams, when the leaders motivates other employees and when there is free flow of communication and information is shared across every level in organization.Yabs (2010) confirms the findings in his study he found out that leadership involves the ability to communicate, motivate and work in teams, the findings further agree with Jacob (2010) who argued that good leaders articulate organizational objectives effectively , allow employees to incubate creativity and innovativeness and in the end strategic objectives of the organizations will be implemented effectively.

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Table 1: Target and Sample Population

Parastatal	Middle Level Managers	Chief Officers	Total
Geothermal Development Corporation (GDC)	26	32	58
Kenya Pipeline Corporation (KPC)	36	46	82
Rural Electrification Authority (REA)	11	31	42
National Oil Corporation of Kenya (NOCK)	22	41	63
Kenya Transmission Company(KETRACO)	14	23	37
Kenya Nuclear Electricity Board (KNEB)	12	18	30
Total	121	191	312

Source: www.energy.go.ke (2012)

Table 3: Levels of Agreements on influence of leadership involvement

Levels of agreement	Frequency	Percentage (%)
Strongly agree	77	30.1
Agree	142	55.6
Neither agree or Disagree	3	1.1
Disagree	29	11.3
Strong disagree	4	1.9
	255	100

Table 4.2.1: Statements related to leadership involvement

Statements	1	2	3	4	5
No 1	42.8 %	53%	1.2%	3.3%	0.7 %
No 2	43.1%	52.3%	0.5%	2.1%	2%
No 3	41.8%	49.2%	2.4%	3.4%	3.2%
No 4	35.5%	39.2%	4.6%	16.7%	4%
No 5	24.5%	36.7%	6.7%	17.3%	14.8%
No 6	25.4%	37.9%	7.3%	16.7%	12.7%