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Effect of Strategic Leadership Styles on Organizational Performance: A Survey of Chartered Universities in Kenya

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Abstract:

Universities play an important role in the economic development of countries. It is widely agreed to a larger extent that university management and leadership style form an important pillar in the performance of the institutions of higher learning. Leadership is a concept that has undergone much adaptation to suit the unique needs of each organization due to the changes in demographics, globalization, and technology and work practices. As a result of this evolution, strategic leadership approach has been adopted by institutions of higher learning globally. In Kenya, universities practice strategic leadership as they have adopted different strategies at various levels of management. However, there are varying levels of performance in Universities as indicated in their rankings despite all of them adopting strategic leadership. This is a gap that prompted a study on establishing the link between strategic leadership and organizational performance in Kenyan chartered universities. The study used a descriptive cross-sectional research design. The study sample consisted of Vice Chancellors and Deputy Vice Chancellors from 27 public universities and 16 private universities. Data analysis was done using Independent samples t-test, ANOVA, multiple regression and Pearson correlation analysis. The research found that VCs were more likely to use transformational leadership style than DVCs. Organisational performance was also found to be higher among newly appointed VCs and DVCs but it declined as one stayed longer in their management position. The age of the office bearer was found not to influence their choice of leadership style. The results of correlation and multiple regression analysis showed that transformational leadership style had a significant positive effect on performance while transactional leadership had a negative effect on performance. Further regression analysis showed that transformational leadership (intellectual stimulation) was the only significant positive predictor of organisational performance ($\beta=0.532$, $p=0.000$). This implies that transformational leadership is more effective in the university management than transactional leadership. Thus, university management should aim at improving on their ability to deploy this kind of style to achieve better results.

Keywords: Strategic leadership, transactional leadership, transformational leadership, organizational performance

1. Introduction

Arguably, universities are the engines of economic growth and play a crucial role in the education system (Militaru, 20102). Universities are research centers, the academic members generate new knowledge and use it in research activities and disseminate it through teaching activities. Universities are integral to creating a skilled workforce, encouraging innovation, and ultimately increasing prospects for growth in most economies (Navarro et al., 2017). The university community also participates in many service activities. Thus, the missions of universities in general are in teaching, research and service. Quality of education service is linked to research and scholarship (Militaru, 20102). Globally, Universities face a constantly changing education market characterized by unpredictability and strong competition. They must identify the best solutions to improve their performance. In addition to market challenges, African universities continue to suffer insufficient funding which means that higher education institutions of Africa are currently not capable of responding to the immediate skill needs or supporting sustained productivity-led growth in the medium term (Chuks, 2017). Similarly, universities in Kenya are operating in highly competitive environment locally and globally and this calls for management styles that enhance institutional performance (Ng'ethe, 2012). Despite the tough market conditions that universities are operating in, the right top leadership style might improve the performance of universities to a large extent (Yang, 2014, Raimonda and Modesta, 2016). Strategic leadership which is a modern type of leadership produces higher organizational performance in organizations and indicated that strategic leadership has been adopted in the leadership of institutions of higher learning in the world over. Mathooko and Ogutu (2014) established that universities in Kenya practice strategic leadership as they have adopted different strategies at the various levels of management. But unfortunately, no past study in Kenya links strategic leadership with performance of well-established