

**INFLUENCE OF STRATEGIC LEADERSHIP ON INNOVATION AMONG
MOBILE SERVICE PROVIDERS IN KENYA**

SAMUEL G. WAKERE

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DECLARATION

This research thesis is my original work and has not been presented for award of degree in any other University.

Signed:

Date:

Samuel G. Wakere

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

Signed.....

Date.....

Dr. Eunice Kirimi
School of Business and Economy
Kenya Methodist University

Signed.....

Date.....

Dr. Evangeline Gichunge
School of Business and Economy
Kenya Methodist University

DEDICATION

This research work is dedicated to the following: My loving family for support and patience during the entire period of my study. For their encouragement and continued prayers towards the successful completion of this course.

Finally I pay tribute and gratitude to my employer and colleagues for their understanding during the entire period of the study.

Thank you and God bless you.

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ABSTRACT

A firm's ability to continually produce relevant inventions, and convert them into marketable products, has a profound influence on its competitiveness and the pathways toward future success that are open to it. Strategic leaders who shape their companies to become extraordinary innovators are lauded in the popular press and practitioner journals. Innovation has been stated as implementation of practices such as brand-new and developed product, process, and marketing method inside and outside of the organization. It is understood from these views; leadership approaches are needed to create work environment innovativeness supporting and properly manage processes in managerial aspects. The main objective for this study was to investigate the influence of strategic leadership on innovation among mobile service providers in Kenya. The specific objectives of the study were to: Establish the influence of transformational leadership on innovation among mobile service providers in Kenya; determine the influence of transactional leadership on innovation among mobile service providers in Kenya, determine the influence of distributed leadership on innovation among mobile service providers in Kenya and to assess the moderating role of environmental dynamism on the relationship between strategic leadership and innovation among mobile service providers in Kenya. The theoretical lens applied to this research was the Upper Echelons Theory (UET), contingency theory and path-goal theory. The study adopted a descriptive research design; the target population in this study was the three mobile service providers namely Safaricom Ltd, Airtel Kenya Ltd and Telkom Ltd while the target respondents were the 117 senior managers from the firms' head offices in Nairobi County from which a sample size of 93 respondents was selected. A semi-structured questionnaire was utilized to gather primary data that were qualitative and quantitative in nature and were analyzed by content analysis and descriptive analysis. Inferential analysis involved use of regression analysis and correlation analysis to establish the strength of the relationship. The descriptive statistical tools such as SPSS version 21 and MS Excel helped in describing the data. The study results indicated that transformational leadership, transactional leadership and distributed leadership were positively and highly correlated with innovation. Environmental dynamisms was found to moderate the influence of strategic leadership on innovation among mobile service providers in Kenya. It was recommended that transformational leaders should use inspirational motivation and intellectual stimulation which are critical for organizational innovation, transactional leaders to not only employ rewards and punishments, but focus more on goal-setting and control and base incentives on 'contingent rewards' (rewarding good performance and recognizing accomplishments) and 'management by exception' (active and passive search for deviations from existing rules and standards. Regarding distributed leadership, team leaders should allow shared leadership and collective leadership, should ensure that leadership is a form of empowering leadership where leadership activities or roles are 'distributed' by the formal leader more widely to team members. The CEO's should make use of empowering leadership behavior specifically focuses on the encouragement of leadership from below.

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ABBREVIATIONS AND ACRONYMS

CBK	:	Central Bank of Kenya
CEO	:	Chief Executive Officer
CSO	:	Chief Scientific Officer
ICT	:	Information Communication Technology
OECD	:	Organisation of Economic Cooperation and Development
SPSS	:	Statistical Package for Social Sciences
UK	:	United Kingdom

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A firm's ability to continually produce relevant inventions, and convert them into marketable products, has a profound effect on its competitiveness and the pathways toward future success that are open to it (Afsar, Badir & Bin-Saeed, 2014). Accordingly, strategy scholars have sought to explain why some firms are performing better inventors or innovators than others (Allio 2013; Afshari, Ghavifekr, Siraj & Samad, 2012). Empirical research has identified resource differences, particularly the diversity of a firm's and its partners' knowledge and the structure of intra- and inter-firm networks as among the critical drivers of a firm's inventive and innovative capabilities.

Sanchez and Morata (2016) in their study on strategic leadership and organizational performance in not-for-profit organizations in Madrid in Spain. The findings demonstrated that if not-for-profit leaders use well the strategic leadership they are likely to improve their organizational performance significantly. The study recommended future research that seeks to replicate these findings is warranted. The study concluded that strategic leadership as a way of enhancing not-for-profit organizational performance.

Paladino, Abdulkadir and Chong (2016) did a study on the effect of strategic leadership, organization innovativeness, information technology capability on effective strategy implementation: a study of tertiary institutions in Nigeria. The study concluded that having strategic leaders in place couple with innovation attitude and IT capability of the

institutions will increase the efficiency of the overall institutions due proper implementation of good and reputable strategies. In today's world where knowledge economy thrives, tertiary institutions have great role to play in socio economic and political growth, especially in developing country like Nigeria.

Emiroglu, Caylan and Eylul (2014) in their study on the importance of strategic leadership for port management: A Delphi research on top managers of Turkish private ports. The findings indicated that there is an increasing need for strategic leadership characteristics of top managers of private ports. The findings reveal that it is critical for top managers of Turkish private ports to have strategic leadership qualifications for such reasons as customer loyalty, human resource management and turnover rate, international integration of ports and volatile market conditions in shipping business. The study however failed to address innovation which is the major focus of the current study

The study focus is on strategic leaders other than general leaders because strategic leaders not only look forward in time to set directions for the organization but scan and cope with the critical sectors of their environment. They make and communicate decisions for their organization's future, formulate the organization's goals and strategies, develop structures, processes, controls and core competencies for the organization, manage multiple constituencies, choose key executives, groom the next generation of executives, provide direction with respect to organizational strategies, maintain an effective organizational culture, sustain a system of ethical values, and serve as the representative of the organization to government and other organizations and constituencies as well as negotiate with them Boal & Hooijberg (cited in Nthini, 2013).

Management scholars also recognize executive commitment to innovation as essential to a firm's ability to sustain it. Strategic leaders who shape their companies to become extraordinary innovators are lauded in the popular press and practitioner journals. Moreover, some studies find that executive pay is tied to inventive and innovative success. Empirical studies, however, rarely link strategic leaders to fine-grained measures of inventive or innovative performance (Atwood & Mora, 2010). Instead, scholarly work tends to focus on leadership in teams, and on project outcomes rather than firm level innovative performance.

Hence, it is not clear how much the average strategic leader (C-level executive) affects her firm's inventive or innovative success. The lack of evidence is troubling, given a predominant view that strategic leaders are the ultimate shepherds of firms' capacities to invent and to innovate. In this study, the researcher investigates how much variation in inventive and innovative performance is attributable to a firm's strategic leadership. The study will focus on the mobile service provider, as both invention and product innovation are central to the financial well-being of the firms (Avolio, Avey & Quisenberry, 2010). In this context, the study will be limited to three mobile service providers namely Safaricom Public Ltd, Airtel Kenya ltd and Telkom Kenya ltd, where the role and challenges of executives are more comparable.

1.1.1 Strategic Leadership

Avolio, Walumbwa and Weber (2009) defined leadership as —the accomplishment of a goal through the direction of human assistants and a successful leader as one who can understand people's motivations and enlist employee participation in a way that marries

individual needs and interests to the group's purpose. Rost as cited in Afsar, Badir and Bin- Saeed (2014) mentioned that leadership is a substitute for —the collective leaders who are in office or —the leaders in an administration. Another popular notion given by him is that of one person directing other people.

Strategic leadership means that leadership in the organization should focus on the future, to create excitement for the future, as well as for what is happening today. A primary goal of a strategic leader is to gain a better understanding of the business conditions, the environment and other aspects that identify the challenges of the future. In their review of the strategic leadership literature, Boal and Hooijberg cited in Bell (2013) made the distinction that theories of leadership are about leadership “in” an organization but that strategic leadership is of leadership “of” the organization. Strategic leadership is marked by a systemic concern for the whole organization, its evolution, changing aims as well as the selection, development and maintenance of the requisite resources and capabilities to enable it to compete.

In conceptualizing strategic leadership, this study refers to new areas of theory that have influenced the development of strategic leadership; in particular the seminal work of Burns (as cited in Kagwiria, 2016). On transactional and transformational leadership and that of distributed leadership (Avolio et al., 2009). Transactional leadership is concerned with an exchange process between leaders and followers. It assumes that transactional leaders understand and are aware of their followers' needs and wants; this implies the creation of an environment to explore and communicate how these will be met and explain the associate rewards. According to Batra, Kaushik and Kalia (2012), the rewards are contingent on the followers conforming to the performance targets set by the leaders.

Transformational leadership is characterized by the ability to nurture significant change in the followers and the organization. It is assumed that these leaders have the ability to lead changes in the organization's vision, strategy, and culture as well as promoting innovation. Batra et al., (2012) state that 'at the heart of transformation leadership is the notion of higher-order change (at individual and organizational levels)'. In an academic context, Bell (2013) express skepticism about the ability of institutional leaders to bring about a paradigm shift in individuals or in institutions as defended by transformational leadership theorists. The main challenge is due to the nature and organization of firms in telecommunication sector where a high visibility of the leader may not necessarily lead to motivating the followers. Loyalty is not to the firm as a whole but to the individual department. This raises the question: 'how relevant is transformational leadership within firms in telecommunication sector?'

Regarding distributed leadership, there are many definitions of distributed leadership: Bell (2013) describes it as 'concerted action' where the whole is significantly more than the sum of its parts; whilst Bos-Brouwers (2010) proposed that from a 'distributed perspective, leadership practice takes shape in interactions of people and their situation, rather than from the actions of an individual leader.

In a study of mobile service providers in UK, Bolden et al. as cited in Braun, Peus, Weisweiler and Frey (2013) used in-depth case studies and interviews to investigate a range of perspectives to capture the concept of distributed leadership. They found two principal approaches to distributed leadership: 'devolved', linked with top-down influence, and 'emergent', associated with horizontal influence. They argued that though the literature supports the latter, in firms in telecommunication sectors the former is more

prominent. They concluded that as 'a description of leadership practice, the concept of "distributed leadership" offers little more clarity than "leadership" alone' (p.257). There is no study that acknowledges the notion of strategic leadership being 'emergent' or devolved. This study could explore if this is plausible in the mobile service in Kenya, where leadership could be seen as 'linked with top-down influence' or 'associated with horizontal influence'. In addition to this, the study will contribute to the body of knowledge regarding strategic leadership.

1.1.2 Mobile Service Providers in Kenya

The mobile telecommunication industry in Kenya is comprised of five firms; Safaricom public Limited, Airtel Networks Kenya, Faiba Telecommunications ltd, Equitel and Telkom Kenya Ltd (Orange). These firms offer a wide range of services which include voice, data, cloud computing, mobile money transfer and mobile money banking. Safaricom Kenya Limited has the largest market share in an intensively competitive market of 64.5% as at December 2012. The 2nd largest operator by market share is Airtel at 16.9%. This is followed closely by Essar (Yu) and Orange at 10.5% and 8.1% respectively (www.cck.go.ke).

The contribution of the mobile sector to the Kenyan economy represents over 5.6% of GDP and up to a further 1.9% from Intangibles (Deloitte LLP, 2011). In 2011, the mobile communications industry contributed over KES 300billion and up to a further KES 100billion from intangible benefits to consumers. Additionally, these estimates indicate that in 2011 the mobile communication industry as a whole employed almost 250,000 people in Kenya. The industry thus contributes significantly to the Kenyan economy. The

mobile telecommunication industry emerged in Kenya in 2000, when two operators, Safaricom Ltd and Kencell (now Airtel Networks Kenya) entered the Kenyan market. Since then competition has increased with the entry of two additional Mobile Network Operators in 2008; Telkom Kenya Ltd (Orange).

Competition among the mobile network operators in Kenya is fierce. The four industry players are known to fight fiercely, through marketing strategies to gain or defend their market shares. On August 18, 2010 Zain (now Airtel Networks Kenya) shocked the local telecoms industry by cutting its calling rates by 75 per cent, in what has turned into a two-year bloody and intensive price war that reverberated across the country (Okuttah, 2011) A day later, Yu, a mobile brand owned by Essar — a conglomerate from India — followed the trend and cut its tariffs by 75 per cent too. The price cut was heavily advertised in both print and broadcast media. The industry continues to attract investors from around the globe. Thus the existing mobile operators are prone to competing with global firms who may invest in the country. Already a 5th global firm has expressed interest in setting up operations in the country. Viettel Group, a state-owned mobile network operator headquartered in Hanoi, Vietnam, now targets Kenya as its next investment destination, something expected to stir up competition in the country's mobile industry already occupied by four mobile operators (Ndone, 2012).

In a quality report published by the industry regulator the Communication Commission of Kenya (CCK) on 15th December 2012, it was reported that the two leading mobile operators, Safaricom and Airtel had failed to meet their customers' expectations for high quality services, according to the CCK's assessment (www.cck.go.ke). Indeed in July

2013, CCK had threatened not to renew the license of the leading mobile telecommunication provider, Safaricom after its 10 year license issued in 1999, expired on concerns of the operator's consistent failure to meet the quality standards (Okuttah, 2013). With a larger number of mobile network operators, more choice is available in the mobile telecommunication market; Mobile telecommunication service providers looking to maintain or grow their position in the marketplace must provide high-quality service with ever-increasing efficiency. Kenyan mobile telecommunication sector, being the most competitive, managers in these firms should consider innovativeness as a means to gain competitive advantage both locally and globally. By knowing which attributes of leads to increased innovation performance.

1.2 Statement of the Problem

Some researchers believe that strategic leadership concept may become the most apt concept to embracing better value driven innovative culture in financial sector in the era of the 21st century Draft & Pirola-Merlo; Jing & Avery; Ireland and Hitt 2 cited in (Batra et al., 2012). Strategic leadership is among the most important factors affecting innovation. Furthermore, leaders can have an impact not only on innovation within the firm but also on marketing the innovative products (Cheung & Wong, 2011). Almost all mobile service providers today are faced with a dynamic environment characterized by rapid technological change, shortening product life cycles, and globalization. It is apparent that firms need to be more creative and innovative to survive, to compete, to grow, and to lead.

The current challenges facing the mobile service providers in Kenya include and not limited to customer retention, financial risk, legal and compliance risk, strategic risk,

technological risk and stiff competition. Mobile service providers' leadership in Kenya have continued to deploy huge investments in technology-based innovations and training of manpower to handle the new technologies. These efforts have seen the number of mobile banking transactions increasing tremendously. Over the last decade majority of mobile service providers including Safaricom Public ltd, Airtel Kenya Ltd and Telkom Kenya ltd have changed their management team severally to improve their performance in the highly competitive market in Kenya. Studies have confirmed that strategic leadership influences the performance of firms in telecommunication sector in Kenya (Nthini, 2013). However, there exists no study investigating the contribution made by strategic leaders towards firm innovation performance. It is against this background that this study embarked to establish whether strategic leadership influences innovation among mobile service providers in Kenya.

1.3 Objectives of the Study

The main objective for this study was to investigate the influence of strategic leadership on innovation among mobile service providers in Kenya. The specific objectives of the study were to:

- i. Establish the influence of transformational leadership on innovation among mobile service providers in Kenya.
- ii. Investigate the influence of transactional leadership on innovation among mobile service providers in Kenya.
- iii. Examine the influence of distributed leadership on innovation among mobile service providers in Kenya.

- iv. Ascertain the influence of delegative leadership on innovation among mobile service providers in Kenya.

1.4 Research Hypotheses

The study sought to test the following hypotheses:

Ha1 Transformational leadership significantly influences innovation among mobile service providers in Kenya.

Ha2 Transactional leadership significantly influences innovation among mobile service providers in Kenya.

Ha3 Distributed leadership significantly influences innovation among mobile service providers in Kenya.

Ha4 Delegative leadership significantly influences innovation among mobile service providers in Kenya.

1.5 Significance of the Study

Management

The study will be significant to the management of mobile service providers in Kenya as they will be able to understand and appreciate the role of strategic leadership on innovation and be able to take remedial action to alleviate innovation challenges and ensure effective strategic leadership.

Policy makers

Policy makers, the government and other organizations will equally benefit from the findings of this study. The results of the study will furnish them with knowledge on the role of strategic leadership in innovation and therefore enhance the survival and success of firms. This knowledge if well harnessed will result in above average performance of a firm in an industry.

Researchers and academicians

Other researchers and academicians in this field will utilize the results of this study as part of secondary data in enhancing future studies. The study will facilitate identification of existing knowledge gaps in the current research and carry out research in those areas.

1.6 Scope of the Study

The study focused on the influence of strategic leadership on innovation among mobile service providers in Kenya. Specifically, three forms of strategic leadership namely: transformational leadership, transactional leadership and distributed leadership and their influence on innovation will be studied. The study was carried out in Nairobi and the target respondents were the senior most managers in the various departments at the three firms head offices.

1.7 Limitations of the Study

The study encountered various limitations. Firstly, full cooperation from the respondents was not certain. For that reason, the researcher sought authorization from the authority. Secondly, the study was influenced by respondents who gave subjective opinions about

the influence of strategic leadership on innovation performance; however, the researcher minimized such opinions by encouraging respondents to be as objective as possible and through the avoidance of leading questions. Thirdly, the respondents were willing to provide feedback due to their busy daily schedules. However, the researcher talked to the respondents and gave them time to complete the questionnaires which were collected at an agreed time. This limitation was overcome by assuring them that the research project is solely for academic purposes and that data confidentiality would be upheld.

1.8 Assumptions of the Study

In the study the following assumption were made: The study variables namely the transactional leadership, transformational leadership and distributed leadership influences innovation performance, the researcher would get full support from the respondents in the process of collecting data, the data and information sought by the researcher would be readily available and easily accessible and lastly the respondents would be honest in providing information to the researcher.

1.9 Operational Definition of Terms

The study is based on the following basic terms as defined.

Delegative Refers to hands off approach in which the leader places great responsibility on lower level managers and employees (Elenkov, Judge & Wright, 2016)

Distributed Leadership : Elenkov, Judge and Wright (2016) refer to leadership practice that takes shape in interactions of people and their situation, rather than

from the actions of an individual leader.

- Innovation** : Li-An (2011) innovation refers to a new idea, product, method or service adopted in organizations.
- Strategic leadership** : Ireland and Hitt (2016) define strategic leadership as 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.
- Transactional Leadership** : This is a style of leadership in which the leader promotes compliance of his/her followers through both rewards and punishments. It is also known as managerial leadership and it focuses on the role of supervision, organization, and group performance (Elenkov, Judge & Wright, 2016).
- Transformational Leadership** : Transformational leadership was defined as inspiring followers to commit to a shared vision and goals for an organization or unit. Leaders also challenge subordinates to be innovative problem solvers, and develop followers' leadership capacity via coaching, mentoring, and provision of both challenge and support (Bass, 2007).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other authors who have carried out their research in the same field of study. The specific areas covered here are theoretical review, empirical review and the conceptual framework.

2.2 Theoretical Framework

2.2.1 Upper Echelons Theory (UET)

The theoretical lens applied to this research is the Upper Echelons Theory (UET), which was first introduced by Hambrick and Mason (as cited in Denrell & Powell, 2016). This theory was chosen for two reasons. Firstly, UET considers strategic leaders taking, strategic decisions and their effect on performance, which is of high relevance to the current research question. Secondly, the UET is a theory in which the three points mentioned above are linked in a framework to an existing body of literature which has tested the UET allowing conclusions to be drawn.

The UET suggests that the characteristics and background of top managers influence the firm's strategic choices and performance. Hambrick and Mason as cited in Denrell and Powell (2016) indicated that strategic choices are complex and significant to a firm's structure and are therefore considered by UET. However other organisational decisions, such as inventory decisions, are of an operational nature and hence are not the focus of the theory. Hambrick and Mason as cited in DeRue, Nahrgang, Wellman and Humphrey

(2011) based their theory upon the premise that the decisions made by strategic decision makers are driven by their own set of ‘cognitive bases’, ‘givens’ and ‘values’. Moreover, they indicated that the influence of these drivers on the decision making process can be seen in the listing of preferred course of actions and alternatives (Figure 2.1).

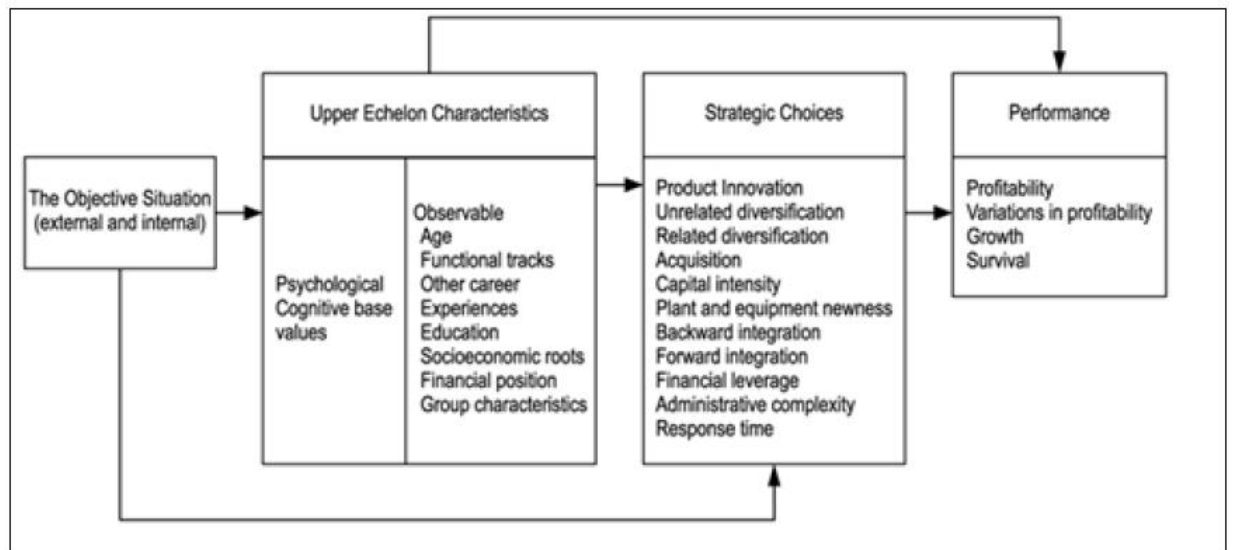


Figure 2. 1: Outline of the Upper Echelons Theory (UET).

Source: Hambrick and Mason (1984: 198).

Figure 2.1 shows that when top management teams are faced with a situation, regardless of whether it arises from within and/or from outside the firm, the situation undergoes various stages of filtering, until a solution or a course of action is identified. Firstly, the theory identified the characteristics of the upper echelons, which are divided into two parts: the psychological and the cognitive. The psychological echelons characteristics, which are not easily observed, refer to the beliefs and values of the upper echelons. The second set of upper echelons characteristics are the observable characteristics such as age, functional tracks, other career experience, education, socioeconomic roots, financial position and group demographic characteristics. Hambrick and Mason cited in Hamidullah and Sait (2015) urged researchers to use ‘objective, observable and

verifiable' top management team characteristics. The UET proposed that both observable sets of characteristics work as filters for the upper echelons preserved situation, limiting their field of vision and therefore, limiting the number of alternatives, and ultimately the manner, in which the situation is interpreted.

The UET, suggested that a younger top management team member is considered to have the tendency of taking risky strategic decisions. Moreover, they are associated with greater growth and inconsistent profitability in comparison to the industry average. The functional track is likely to influence strategic choices. The theorists describe top management team members as dominant characters who use their experience for making decisions. Therefore, the theory proposed a positive relationship between the total output functional experience of the top management team, that is marketing and research and development, functional experience, and both growth and output strategies, such as advertising and product innovation strategies. On the other hand, top management team members who have more throughput functional experience, that is finance and accounting functional experience, have a positive relationship with throughput strategic decisions, such as backward integration and automation. However, in a stable environment, top management team members with throughput functional experience in a commodity-based industry are positively linked to profitability. On the other hand, in a turbulent environment and a differentiation-based industry, executives with output functional experience are positively related to profitability. Top management team members with peripheral functional experience and law or finance backgrounds are positively related to unrelated diversification and administratively complex decision making (Geib & Swenson, 2013).

Other career experience is proposed to have an important impact on top management team decisions. Top management team members with long tenures in the same firm have a negative relationship with new area exploration-related decisions, such as unrelated diversification. However, in a stable environment, the top management team members with long tenures are positively related to both profit and growth. In contrast, in a turbulent environment, top management team members who have managed the same firm for a long period are negatively related to both profitability and growth. Another premise of the UET is related to formal education. The length, but not the type, of formal education of top management team members is related positively to innovativeness. Although the length of formal education is not related to average performance or growth, it is positively related to a less variable performance and the complexity of administrative affairs, such as formal planning and compensation systems (Geib & Swenson, 2013).

Another characteristic of the upper echelon that can influence the top management team's decision making is socioeconomic background. Top management team members belonging to less advantaged socioeconomic groups will actively pursue decisions related to mergers and acquisitions, and experience more variable performance when compared to other top management team members belonging to higher socioeconomic groups. The upper echelons theory suggests that the percentage of the total earnings by top management teams, such as bonuses and stock options, is related to firm profitability. However, the relationship between a firm's share performance and the top management team is weak. The decision-making process in firms with a homogeneous top management team is faster than in firms with a heterogeneous top management team. The upper echelons theory suggests that profitability will be positively related to

heterogeneous top management teams in a turbulent environment, and to homogeneous top management teams in a stable environment. Hambrick and Mason as cited in Dust, Resick and Mawritz (2013) summarize the importance of their theory in three main possible contributions. Firstly, the UET can offer a more accurate basis for predicting organizational outcomes. Secondly, the UET can enable the selection and hire of senior management executives. Thirdly, the UET can offer enable strategists to understand their competitor's moves and actions. This theory is relevant to the study since it explains how transformational leadership determines innovation in an organization.

2.2.2 Contingency theory

Contingency perspectives on leadership are still founded in the notion that some people possess inherent qualities that make them more capable than other people of being leaders, but they acknowledge that these special leadership qualities need to be matched to the specific demands of the situation. Contingency means that one thing depends on other things; there must be appropriate fit between the leader's behavior, style and the conditions in the situation. According to those ideas, people who have leadership qualities possess first a realistic understanding of their own leadership skills Gray (as cited in Geib & Swenson, 2013).

In Fielder's Contingency Model leaders can determine whether a situation is favorable to their style. Task-orientated leaders tend to do better in very easy or difficult situation, while person-orientated leaders do best in situations of immediate favorability. The key idea is simple where the leader's style is matched with the situation most favorable for his or her success. Fiedler's model presents the leadership situation in terms of three key

elements that can be either favorable or unfavorable to a leader: the quality of leader-member relations, task structure, and position power. When subordinates distrust, do not respect, and have little confidence in the leader, leader follower relations are seen to be poor. When subordinates trust, respect, and have Confidence in the leader, leader-member relations are considered to be good (Geib & Swenson, 2013).

Hersey and Blanchard as cited in Hargis, Watt and Piotrowski (2011) situational leadership model suggests that the levels of directive and supportive leader behavior should be used on the level of readiness of the followers. According to this theory, a leader can adopt one of four leadership styles, based on a combination of task and relationship behaviors. The four styles of leadership are telling, selling, participating, and delegating. The telling style reflects a high concern for tasks and a low concern for people and relationships and is a very directive style. The selling style is based on a high concern for both relationships and tasks. The participating style is characterized by the leader sharing ideas with followers, encouraged to participate in decision-making. The delegating style reflects a low concern for both tasks and relationships. This leader provides little direction or support because responsibility is turned over to followers Hersey & Blanchard (as cited in Resick & Mawritz, 2013). This theory explains how transformational leaders influence followers in an organization who can in turn determine innovation as an organization performance outcome.

2.2.3 Path-goal theory (Bass, 1990)

Based on the expectancy theory of motivation, path-goal theory suggested that it's the leader's job to assist followers in attaining goals, and to provide direction and support

needed to ensure that their goals were compatible with the organizations. Effective leaders clarify the path to help their followers get from where they are to achieving their goals and making the journey easier by reducing roadblocks and pitfalls (expectancy and instrumentality linkages) (Effelsberg, Solga & Gurt, 2014).

A leader's behavior is acceptable to subordinates when viewed as a source of satisfaction, and motivation when need satisfaction is contingent on performance. The leader facilitates, coaches, and rewards effective performance. There are four possible leader behaviors: Directive: lets subordinates know what is expected of them, schedules work, and provides guidance regarding task accomplishment. Supportive: is friendly and demonstrates concern for employee needs. Participative: consults with subordinates and uses their suggestions before making a decision. Achievement-oriented: sets challenging goals and expects subordinates to perform at their best. Path-goal theory assumes that leaders are flexible and that they can change their style as situations require (Denrell & Powell, 2016).

The theory proposes two contingency variables that moderate the leader behavior-outcome relationship: Environment: outside the control of subordinates-task structure, authority system and work group; and subordinate characteristics: locus of control, experience and perceived ability. Environmental factors determine the type of leader behavior required if subordinate outcomes are to be maximized; personal characteristics of subordinates determine how the environment and leader are interpreted. Research has demonstrated that employee performance and satisfaction are likely to be positively influenced when the leader compensates for the shortcomings in either the employee or

the work setting (Garcia-Morales, Jimenez-Barrionuevo, Gutierrez-Gutierrez, 2012). Path goal theory focus on changes in environment and how changes determine organization outcome, this theory is relevant in informing how environmental dynamism can determine relationship between strategic leadership and innovation among mobile service providers in Kenya.

2.2.4 Transformational Leadership Theory

According to Bass (2007) the transformational leadership was coined by Burns (as cited in Kagwiria, 2016). Transformational leadership theory has evolved from and contains elements of preceding leadership types, such as trait and behavior theories, charismatic, situational and transactional leadership. The Transformational Leadership theory states that this process is by which a person interacts with others and is able to create a solid relationship that results in a high percentage of trust, that will later result in an increase of motivation, both intrinsic and extrinsic, in both leaders and followers. Transformational theory focus upon the connections formed between leaders and followers. Transformational leadership is the leader's ability to motivate followers to rise above their own personal goals for the greater good of the organization.

Bass (2006) theorized that the transformational style of leadership comes from deeply held personal values which cannot be negotiated and appeals to the subordinates 'sense of moral obligation and values. Bass declared there were four types of transformational leadership behavior, namely idealized influence (charisma), inspirational motivation, individualized consideration, and intellectual stimulation. According to transformational leadership theory, a leader can make a positive difference in an employee's life and Bass Transformational Leadership Theory may be a solution in various cases. The theory

enhances the motivation, morale, and performance of followers through a variety of mechanisms Bushra (as cited in Kagwiria, 2016). These include connecting the follower's sense of identity and self to the project and the collective identity of the organization; being a role model for followers that inspires them and makes them interested; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that enhance their performance.

2.2.5 Theoretical Framework

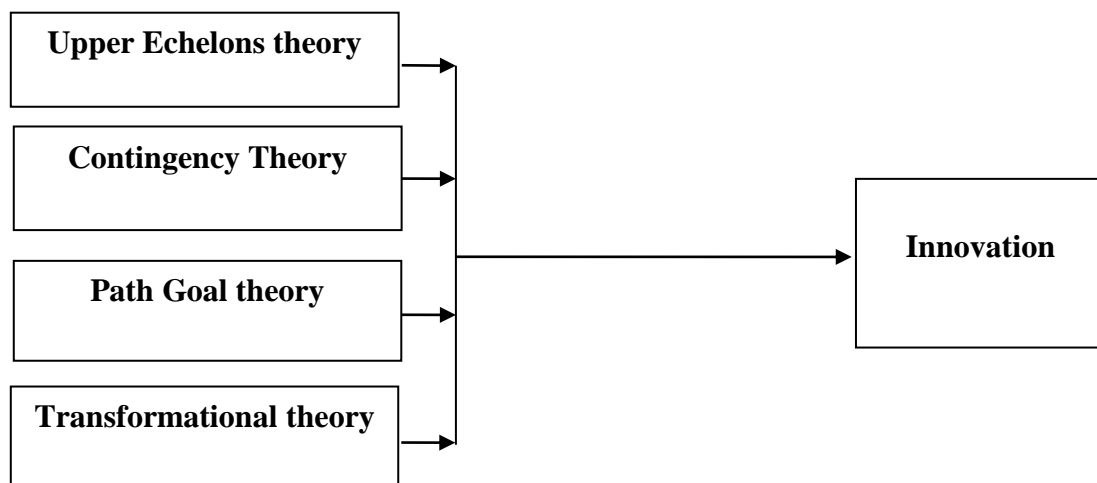


Figure 2. 2: Theoretical Framework

Source: Author (2018)

2.3 Empirical Review

The concept of innovation is an all-encompassing phenomenon. There are non-technology innovations such as organization development changes and transformations that have a significant influence in creating organizational competitiveness. Other non-technology performance drivers include process improvement and sustainability strategy.

Effelsberg, Solga and Gurt (2014) underscored the significant role of research in the discovery of new knowledge that could help organizations to modernize processes. There is a need for theory development that could guide future studies in the field of management innovation for improved organization performance.

Organizations' ability to adapt new technology, availability of the quality human resource and operational efficiency has a mediating effect on organizational performance (Elgelal, & Noermijati, 2015). The purpose of the study was to explore the influence of operational efficiency, human capital, and inventiveness on organizations' sustainability and competitiveness. Business strategy, leadership effectiveness, flexible leadership, human capital, and operational efficiency have a significant effect on organization performance. Organization performance is dependent upon the human resource, operational efficiency, and innovation adaptation capability. Understanding the influence of performance constructs may help leaders to improve performance.

Strategic leadership is a joint responsibility of the CEO and the top management team. The purpose of making strategic decisions is to enhance the competitiveness and sustainability of the organization. Most CEO's like to exercise a discretionary leadership and to make strategic decisions without the consultation and the involvement of the top management team. Though strategic leadership is a shared responsibility between the CEO and senior management team, most CEO's tend to exercise a dominant role in strategic decision-making. There is a complex interaction between the CEO and top management team, the board of directors and the CEO (Garcia-Morales et al, 2012). However, Olie as cited in Meeker and Escobar (2014) did not relate a lack of a clear mandate with the legality of the decisions of the top management team. They also did not

discuss the strategic leadership models that are appropriate for different types and sizes of business organizations.

The clarity of vision and mission statements is a strategic imperative that has a significant influence on helping leaders to focus organizational performance (Hamstra, Van Yperen, Wisse and Sassenberg (2011). In the wake of dynamic innovations and attempts to catch up with growing competition, most leaders have lost focus on the basics of business strategies. The lack of unique strategic positioning could negatively affect the innovativeness of the organization. The innovativeness of an organization rests on the unique value proposition that an organization can offer to its customers. Leavy contended that fundamentals that could influence innovativeness to include the effectiveness of the CEO in the role of guardian of mission and vision of the organization. Others include a sharp focus on the core business and viability of the industry. Leaders help to position an organization whereas strategy contributes to creating and maintaining differentiation, competitiveness, and sustainability Leavy (cited in McCleskey, 2014). The function of leadership is important for positioning an organization.

2.3.1 Transformational Leadership and Innovation

McCleskey (2014) in his study ‘situational, transformational, and transactional leadership and leadership development’ defines organizational innovation as the creation of valuable and useful new products/services within an organizational context. Since most organizations engage in innovative activity as a competitive weapon, this study will adopt a market-oriented approach and enhance this definition to include the returns due to innovation. Accordingly, organizational innovation in this study is defined as the tendency of the organization to develop new or improved products/services and its

success in bringing those products/services to the market. This approach is consistent with Damanpour's as cited in Geib and Swenson (2013) definition of product innovations as "new products/services introduced to meet an external user or market need," and the description provided by OECD as "the successful bringing of the new product or service to the market."

Kazmi and Naaranoja (2015) in their study 'cultivating strategic thinking in organizational leaders by designing supportive work environment' suggested that transformational leaders have been suggested to have an impact on innovation. Transformational leaders enhance innovation within the organizational context; in other words, the tendency of organizations to innovate. Transformational leaders use inspirational motivation and intellectual stimulation which are critical for organizational innovation. Transformational leaders promote creative ideas within their organizations and their behaviors are suggested to act as "creativity-enhancing forces"; individualized consideration "serves as a reward" for the followers, intellectual stimulation "enhances exploratory thinking", and inspirational motivation "provides encouragement into the idea generation process".

A transformational leader seeks for the best outcome for both the leader and follower. Follower and leader both put a lot of effort in the things they do to both get to a higher level, without any rewards. A transformational leader motivates his followers and tries to elevate their morals. This motivation makes the followers want to do more than is originally expected from them. It makes them trusting the leader and they will most likely admire and respect him. Followers and leaders will put their own self-interest aside, and will do what is good for the group or the organization. Krüger formulated five

competences of an effective school leader. She met school leaders, consultants and academics to define these competences and stated this leader must be transformational because he needs to be innovative and effective. He has to make teachers learners again to keep on learning with and from each other. Geijsel, Slegers, Stoel and Krüger cited in Bos-Brouwers (2010) also found transformational leadership had a positive effect on the participation in professional learning activities of Dutch elementary school teachers.

Bass (2007) found that transformational leadership improves commitment, effectiveness and creativity amongst employees. As for leadership, creativity of employees is important to get competitive advantage and to survive as a company. Shally and Gilson cited in Cheung and Wong (2011) define creativity as an outcome. It is a production of new ideas or products in a particular realm. Creative employees will have new ideas about products and/or procedures and help with important decisions or implementations. Creativity is positively influenced when management encourages creative thinking. Therefore leaders have an important role in supporting individual creativity. Most of the time creativity gets killed. Not because supervisors do not see the value of creativity. Due to every day work in particular environments (focus on time and money) creativity will fade into the background. More influential factors on creativity are job characteristics, goals, acceptable recourses, rewards, cognitive team diversity and job autonomy. Like in a company also in schools ideas about creativity in the classroom is a hot subject.

Not a lot of research has been done in a school environment about the kind of leadership and how this may influence innovation. This will be the central topic of this paper. Some research has been done about the influence of a leader to the creativity of employees

Shally & Gilson, (cited in Buller & McEvoy, 2012). Shin and as cited in Caillier (2014) found a positive effect of transformational leadership on creativity. This was not investigated in a school environment but in Korean companies. Nederveen Pieterse, van Knippenberg, Schippers and Stam as cited in Caillier (2014) investigated the relationship between the leadership style and innovative behavior in The Netherlands, but this was conducted in a government agency.

Howell and Higgins (2010) state that this behavior reflects the “championing role” of the transformational leaders. This leader develops his or her followers’ self-confidence, self-efficacy, and self-esteem. Furthermore, this leader motivates his or her followers by his or her vision, increases their willingness to perform beyond expectations, and challenges them to adopt innovative approaches in their work. The resulting heightened levels of motivation and self-esteem in the followers are likely to enhance organizational innovation. Such a leader’s positive impact on innovation was supported by a number of empirical studies. These studies focused on innovation mostly in R&D units and at the project level. The proposed effect of transformational leadership on innovation at the organizational level has become a topic of empirical research only recently. For example, Golden (2016) found that transformational leadership was significantly and positively related to organizational innovation as measured by R&D expenditures and number of patents obtained over the previous three years.

Grant (2012) in his study on ‘Leading with meaning: beneficiary contact, pro-social impact, and the performance effects of transformational leadership’ argue that transformational leadership has been particularly linked to improved innovative performance. It is considered an approach to leading that changes followers, causing

them to look beyond self-interest in favor of the group's objectives by modifying their morale, ideals and values. It is associated with employees' heightened commitment to organisational goals above self interest in particular and has been highlighted as a leadership style which fosters innovation and leads to improved performance. Transformational leaders can also influence innovation and performance by defining the work context within which their teams interact and work together towards achieving set goals.

Effects of transformational leadership were also found on creativity and innovation. Shin and Zhou cited in Juma and Ndisya (2016) in their study on Influence of Transformational Leadership on Employee Performance, a Case Study of Safaricom Limited found positive association between follower's creativity and transformational leadership. Shin (as cited in De Jong, Den Hartog and Zoetermeer, 2014) claimed that the leaders who inculcate clear innovative vision found better results. According to Kim (2015), instilling a vision enhances creative output. He links vision to levels of motivation and performance. Innovation based vision to encourage innovative work behavior. He further elaborated that vision provides a direction of activities and sets general guidelines for the future.

In addition to its effect on the tendency of organizations to innovate, transformational leadership may also have a positive impact on the market success of the innovations. The transformational leader may mobilize his or her followers to ensure the innovations' success. By articulating a strong vision of innovation and displaying a sense of power and confidence, this leader will strive for ensuring the market success of the innovation. As Keller cited in Kim (2015) suggests, leading professional employees might require more

than traditional leader behaviors especially in R&D settings where quality rather than quantity is the primary performance criteria. Furthermore, in addition to the internal roles, transformational leadership has been suggested to be effective in playing external roles such as boundary spanning and entrepreneuring/championing Howell and Higgins (2010), which might be important both for understanding the needs of the market and marketing of the innovation successfully.

Idealized Influence (or Charismatic Role Modeling) refers to behavior when leader manages to build respect, loyalty and strong compliance from subordinates' side by becoming a role-model and emphasizing the importance of collaborative sense of mission. According to classical theory of transformational leadership by Bass (1985), idealized influence (or in other words – *charisma*) is a crucial factor for transformational process as charismatic leaders gain great power over their subordinates, once they start strongly identifying themselves with their leaders. Frequently, transformational leadership is associated with charismatic leadership, and as a result, two terms are used interchangeably Hunt & Conger (as cited in Krishnan, 2012). Yet, some scholars argue that these are absolutely separate leadership styles.

Transformational leadership from charismatic based on the following argument - charismatic leader builds follower's commitment on unquestionable (and often blind) obedience which usually results in idolization and strong emotional attachments while transformational leader, in turn, focuses on directing the follower's commitment towards achievement of organizational goals without causing self-immolation from the subordinate's side. Hence, it is incorrect to state that charismatic and transformational leadership are fully interchangeable terms. Barbuto Jr. (1997) disagrees with theory of

Bass as cited in Krishnan, (2012) and implies that leaders can be transformational even without incorporating charismatic style in their behavior, meaning that the sole concept of transformational leadership should not necessarily include idealized influence (or charisma) as a major component. According to Barbuto's Jr. (1997) as cited in Krishnan (2012) arguments, focusing on individual consideration, intellectual stimulation, and inspirational motivation should be sufficient enough in order to become a transformational leader. However, all four components presented by Bass as cited in Krishnan (2012) are still widely used in theory by modern scholars; thus, classic approach that all four patterns of behavior are necessary in order to become a transformational leader is still pre-dominant in the literature.

2.3.2 Transactional Leadership and Innovation

The key principles of transactional leadership date back several decades, however, the concept has been shaped together with transformational leadership by Burns (as cited in Kagwiria, 2016). While there have been intense discussions about the relationship between the two leadership styles (Gundersen, Hellesoy & Raeder, 2012), researchers agree that, unlike transformational leadership, transactional leadership is not focused on change. Its basic approach is to lead by clear definition and communication of work tasks and rewards and punishments, focusing on the basic needs of the followers.

The concept of transactional leadership is less widespread in research. Like transactional leaders, instrumental leaders also employ rewards and punishments, but focus more on goal-setting and control. Research offers various insights into how transactional/instrumental leadership has been specifically applied to innovation projects. Hamidullah and Sait (2015) in their study on role of transformational leadership on

employee's job satisfaction: The Case of Private Universities in Bosnia and Herzegovina, for instance, found that leaders identify their followers' needs and design exchange processes based on these needs. Bass as cited in Hargis, Watt and Piotrowski (2011) proposes basing incentives on 'contingent rewards' (rewarding good performance and recognizing accomplishments) and 'management by exception' (active and passive search for deviations from existing rules and standards). Hamstra, et al. (2011) suggests setting up clear goals, defining tasks and responsibilities, establishing standards, and also drafting action plans. In her case study, Bossink as cited in Krishnan (2012) found that leaders hired external professionals to keep projects on track. Regarding the influences of transactional/instrumental leadership, studies show that followers indeed develop expectations about rewards that they receive in exchange for meeting a transactional/instrumental leader's expectations, and that they act rather rationally in accordance with this.

In general, transactional leadership is mostly seen as a means to keep things on track during the implementation phase, and less suitable for the stimulation of new ideas. Thus, Keller as cited in Hargis, Watt and Piotrowski (2011) in their study titled 'Developing leaders: Examining the role of transactional and transformational leadership across business contexts' stated that incremental innovations might be better led by transactional leaders, while radical innovations might be better led by transformational leaders. Transactional leadership might be particularly suited to product innovations and R&D teams, since it helps achieve straightforward goals. A case where transactional leadership has worked during all the stages.

2.3.3 Distributed Leadership and Innovation

The study of distributed leadership (DL) has emerged as a body of theoretical and empirical work over recent years. According to Gordon (2010), Distributed Leadership refers to ‘a variety of configurations which emerge from the exercise of influence that produces interdependent and conjoint action. It represents relational activities and processes of a team constituted and shaped by the interactions among team members and the team context. Leadership roles, responsibilities, activities and functions are considered emergent properties and distributed in various ways throughout the team (Afsar, Badir & Bin Saeed, 2014).

Distributed leadership involves shared leadership and collective leadership. Shared leadership (SL), for example, is a widely used term in the USA, especially in nursing, medicine and psychology. SL represents a dynamic, interactive influence process among team members to lead one another to the achievement of team goals, often linked to ‘the CEO’s use of empowering leadership behavior specifically focused on the encouragement of leadership from below. In this sense, SL is a form of empowering leadership where leadership activities or roles are ‘distributed’ by the formal leader more widely to team members. While we believe that DL and SL encapsulate similar leadership phenomena, the current paper questions whether and how these terms should be differentiated. Since the terms ‘fragmented’, dispersed, shared, and conjoint leadership are widely used to describe distributed phenomenon in the business and organizational fields, it would be pertinent to disentangle whether they are interchangeable terms or whether each represents a different aspect of DL. Mainstream research on DL, so far, has failed to reach definitive conclusions on these issues. Some studies support the role of DL

in effective team performance Astley, as cited in Allio (2013) in a study of U.S. sales teams found no support for the claim that the more leadership is distributed across team members, the better the team's performance.

According to Alvesson and Sveningsson as cited in Atwood and Mora (2010), DL was seen as reflecting the relational activities and process of a team or organization, not the characteristics of a person. Such a distribution also involves multilaterally shared responsibility, indicating that groups may operate with various degrees of diffusion or concentration of leadership functions. In this sense, leadership roles, responsibilities, activities, and functions are shared by two or more members, and will be distributed in various ways throughout the team. This leadership configuration, in which collaborating agents may be coalitions of individuals and teams, acting in close proximity, or across a number of sites, accounts for one of the hybrid forms both within and between organizational units identified Gronn, (cited Avolio, Avey & Quisenberry, 2010).

Distributed and centralized leadership can be seen as end points of a continuum, because when the extent of distribution is low enough, the leadership style tends to be centralized. Leadership aggregation is 'minimalist' DL, with responsibility shared among others in a 'leader-plus' manner such as in co-leadership, or leader partnerships. DL can be dispersed and 'numerical', or conjoint and 'concretive'. The first additive or numerical view suggests that all organizational members can be leaders at some time; leadership work of particular members is not privileged, nor is there a presumption about which individual's behavior carries more weight. The role of leadership is an aggregated enactment among some or all of team or organization members, or a sum of the parts of leadership from different members. Thereafter, the role of leader is likely to change due

to specialist expertise at each stage of an organizational process Wenger (as cited in Batra et al., 2012).

Many studies are beginning to support the role of DL in innovativeness. Theoretically, DL has achieved a high level of theoretical and practical uptake, which helps exert positive impact on team effectiveness and customer services (Carson and colleagues 2007). For example, DL challenges the conventional assumption of a central leader who exerts influence over followers to achieve an outcome. A number of other studies by Bolden (2011) indicate a positive relationship between DL and significant aspects of organization performance. Kempster (2014) examine how DL can help to promote organizational change. DL is not necessarily beneficial, as inconsistent evidence on the impact of DL on organizational performance has been identified. For example, the study by Mehra cited in Bos-Brouwers (2010) fails to find support on linear relationship between DL and team performance. They point out that if DL is fragmented there may be no direct connections between distributed leaders. Also, periodic leadership support and maintenance by vertical leaders is necessary in order to achieve effectiveness for DL. This is supported by Harris cited in Bos-Brouwers (2010) who asserts that without stable, consistent leadership, DL is very fragile, and DL does not seem to generate less demand for formal leadership positions.

Taken together, some patterns of leadership distribution seem more effective than others and different patterns of DL were associated with different organizational contexts. In order to account for the inconsistent evidence on the effectiveness of DL, future research

needs to understand particular configurations of DL and how this contributes towards organizational performance in different settings.

The traditional idea of leadership as a vertical process encouraging a decoupling of leader and follower connectivity has been supplanted by an increase in research focused on the role of leadership as a shared or distributive practice. Within organizational settings “...the heroic view of leadership has only on occasion been found to be the factor that has led to organizational improvement, while distributed forms of leadership have been found to benefit improvement efforts in a range of studies in the schools sector”. Distributive leadership is based on a theme of shared practice where a communal, democratic process of decision making between members of an organization is adopted. Subsequently, Talan (2010) likened distributive leadership to a tango where the role of the leader is well established however the follower is essential. Both participants engagement is characterized by a changing of roles and a willingness to adopt another perspective (Geib & Swenson, 2013).

The role of leader and follower is entirely dependent on the situation. “Leaders relationships with their “followers” have thus assumed greater importance than the more technical aspects of administration, management and decision making”. The role of the leader and follower are interchangeable. Leadership, therefore, is enacted within a particular setting, precipitated by leaders requesting followers to become fully engaged with tasks as collective members of a group. Essentially, “...individuals play off one another, creating a reciprocal interdependency between their actions”. Differing terms exist in relation to the concept of distributive leadership; popular descriptions include

shared, collaborative and democratic leadership. The terminology, whilst seemingly consistent incorporates many divergent assumptions (Kazmi & Naaranoja, 2015).

Shared leadership is typically described as a component of distributive leadership but is however wholly dependent on the situation and not always applied. Collaborative leadership is a course of action in which a team approach is instituted among leaders creating interdependency from one leaders practice to another. Democratic leadership, which institutes a process of self-governance with participation equally disseminated, belies the reality that a distributive process allows for both democratic and autocratic processes (Spillane, 2005). “Besides the different terms employed, different authors diverge in their conceptualizations of distributed leadership on various grounds, including the scope of the network of participating agents in the leadership process” (Bos-Brouwers, 2010).

Heslep (1997) described the process as inclusive of two or more individuals directly interacting with one another. Van Knippenberg and Hogg (2003) furthered this distinction with the assertion that leadership exists in the form of various groups and teams to which membership is shared and interrelated. Bennett, Wise, Woods and Harvey (2003) continued these elaborations by pointing to leadership being a fluid practice between ever changing groups. However, proponents of distributive leadership believed that lasting and sustained change can only happen if all members of a given organization are instrumental in the decision process (Spillane, 2005).

Therefore, it can be determined; participation within a distributed leadership setting has implications related to a small group or team of individuals as well as an entire

organization with no specific boundaries being set. Expanding leadership opportunities to a broader more profound level assists in providing an environment that is more inclusive and representative of diverse thought and expertise. Successful implementation of distributive leadership practices requires key components such as trust, interdependence and openness to be present and utilized. The dominant component of this particular perspective resides in the actions of individuals, focusing not on what people do, but how, and subsequently why, it is done. Therefore "...it is not the actions of individuals, but the interactions among them, that are critical in leadership practice". The engagement of individuals on a voluntary basis is paramount as involuntary action may lead to a lack of imbued leadership and blind followership. Voluntary interaction also allows for the interface of diverse individuals to share expertise related to projects or goals where extensive decision making and information processing is essential (Buller & McEvoy, 2012).

Distributive leadership enhances opportunities for those with and without role authority to engage in leadership functions. Such opportunities to employ acts of initiative and responsibility can benefit an individual's professional development. Programs also profit as staff members who participate in leadership opportunities often have a vested interest in seeing their decisions and input come to fruition. Additionally, when involving all staff in the process of making decisions, the quality of those decisions is often better than what could be developed by an individual leader. There are however, negative impacts associated with the distributive leadership process. Even within programs, which believe distributive leadership to be the best example for instituting change, there are varying degrees of implementation and quality of practice. Also, a lack of clarity related to the

inherent responsibilities leadership roles encompass as well as a clear distinction of the level of authority possessed by leaders has been cited as issues. This can prove problematic as distributive leadership is more focused on the distribution of responsibilities not on the allocation of power (Caillier, 2014). Additionally, the incorporation of various individuals in the decision making process provides for a variety of assumptions, values and viewpoints that may not be in sync (. Regardless of the limitations that exist, distributive leadership allows for the most leadership interaction among staff members within an organizational setting.

2.3.4 Delegative Leadership/ Laissez faire Leadership and innovation

Delegative leadership is a somewhat hands off approach in which the leader places great responsibility on lower level managers and employees. Thus the term laissez faire (or *lais-ser faire*), which is French for the non-interference in the affairs of others. Employees who have the skills to analyze situations, and the confidence to implement decisions, may thrive under this style of leadership. Laissez faire, this French phrase means "leave it be," and it's used to describe leaders who leave their team members to work on their own. It can be effective if the leader monitors what's being achieved and communicates this back to the team regularly. Most often, laissez-faire leadership is effective when individual team members are very experienced and skilled self-starters. Unfortunately, this type of leadership can also occur when managers don't apply sufficient control (Hamidullah & Sait, 2015).

The delegative leadership style is used by managers who want or need to allow employees to make the final decision. However, the manager is still responsible for the

decisions that are made, A good manager will realize that there are times when he or she cannot or should not spend the time necessary to do the research needed in order to make a decision, particularly when there are knowledgeable and perfectly capable employees who could be given that task. This style shows employees that the manager trusts them, which will improve morale (Gundersen et al., 2012).

The effective manager will use the delegative leadership style when the situation is right, but will not use this style excessively. Over use of the delegative style can make it appear that the manager is lazy, and can cause high stress levels in the employees who are making all the decisions. The leader delegates all decision making and managerial responsibility to subordinates who have complete freedom in decision making. The leader keeps interaction with followers, feedback, support and interaction to a minimum (Kempster, 2014).

Many followers, however, are uncomfortable with having leadership responsibility delegated in this manner. Other employees may take advantage of a "less than fully engaged" leader to avoid getting crucial tasks completed. This leadership style often leads to poorly defined roles and a lack of motivation. This is one of the styles of leadership that has value in specific situations and also has to be used wisely. A leader who uses this leadership style to shift blame or avoid responsibility is mis-using their leadership role. Delegative leadership, on the other hand, is a useful way for a leader to prioritize tasks and show their followers that they trust their abilities to lead certain initiatives. Do not be afraid to use this leadership style when it is in your, and your organization's best interest, however, use it wisely! (Hargis, Watt & Piotrowski, 2011).

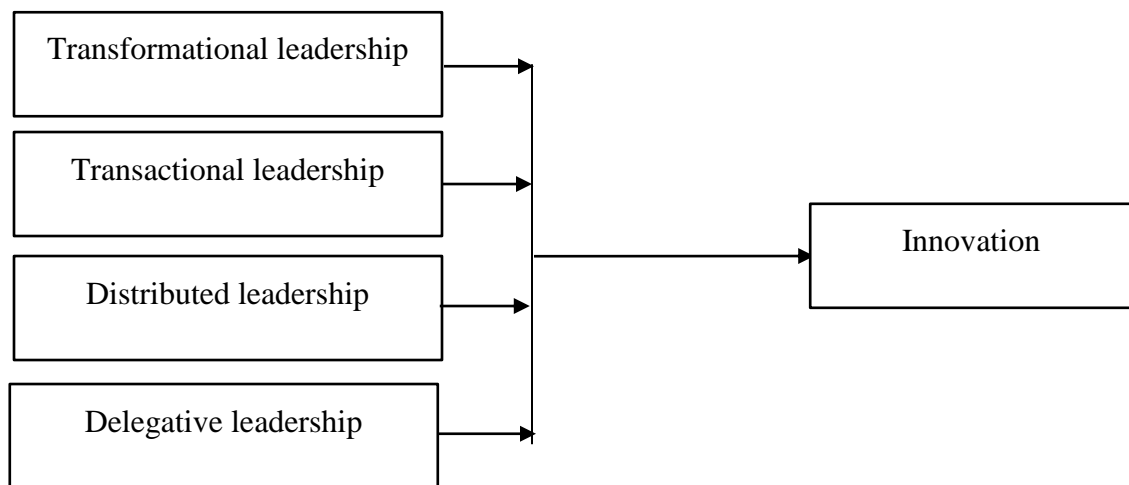
The delegative leadership is the extreme loose principle which includes non-interference policy that allows complete freedom to all the employees and has no particular way of attaining goals (Oldham & Cummings, 2010). This style of leadership is people centered and the leaders leave the group to make its own decision without participating or even setting a deadline for the decision. In this style leader hopes that the group will make the right decision the main advantage of this style is that it lets the team members to bond and can lead to successful decisions if group members take ownership and responsibility of the task. However, the main disadvantage is that employees will often perceive the leader as indifferent to the organization and they might make the wrong decision without even realizing it. Since there is absolutely no control or guidance in this style of leadership wrong decisions can impose devastating effects on organizations (Stafford, 2010). Delegative can also be considered as a destructive leadership behavior because in the absence of the leader's control some individuals can dominate group decisions and bully other members in the group.

Delegative/Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. While the conventional term for this style is delegative and implies a completely hands-off approach, many leaders still remain open and available to group members for consultation and feedback. Delegative / Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions (Egri & Herman, 2011). Some people are not good at setting their own deadlines, managing their own projects and solving problems on their own. In such

situations, projects can go off-track and deadlines can be missed when team members do not get enough guidance or feedback from leaders.

2.4 Conceptual Framework

This study adopted the following conceptual framework derived from the objectives of the study. The independent variable is strategic leadership while the dependent variable is innovation.



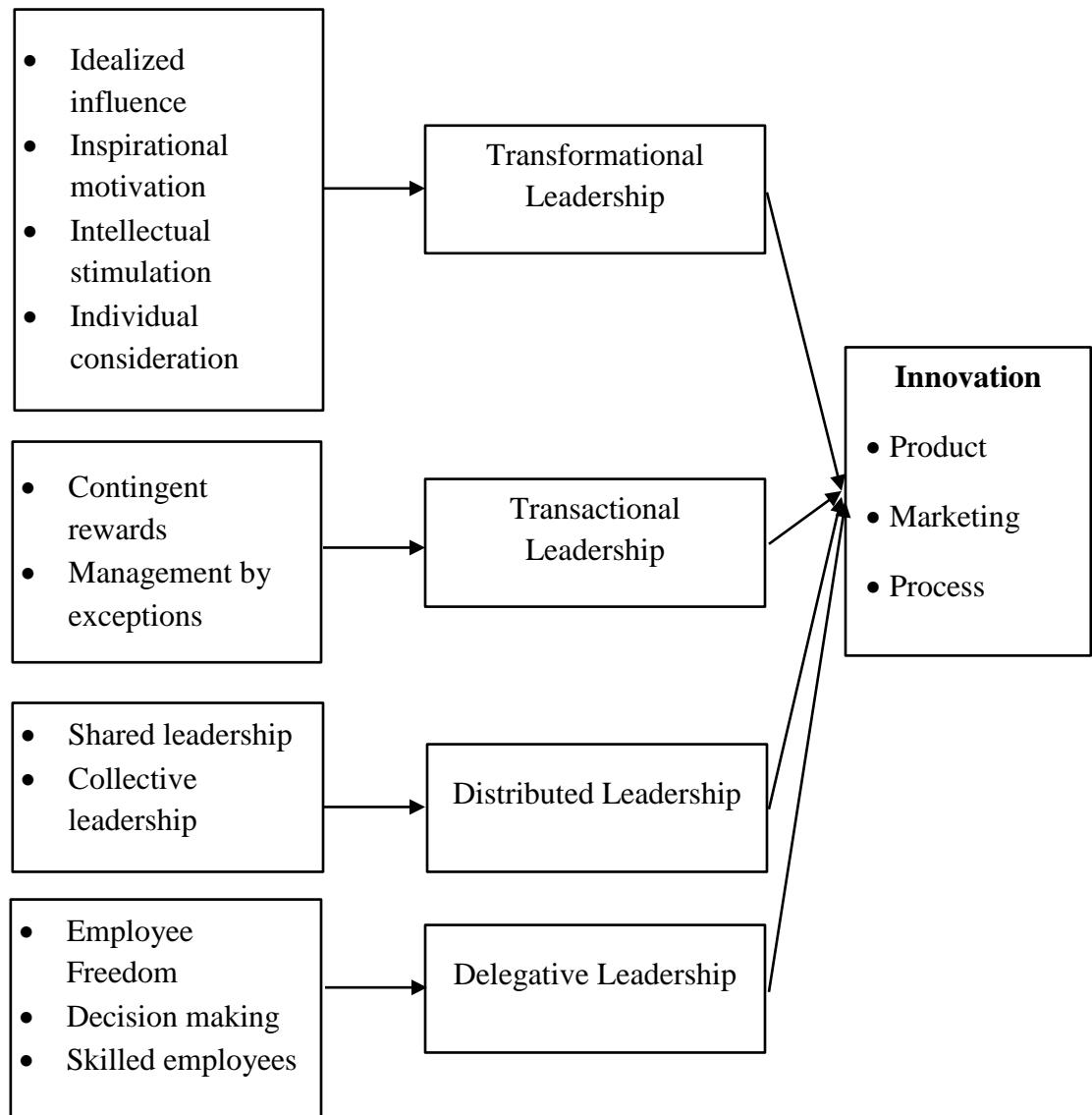
Independent variables

Dependent variables

Source: Author (2018)

Figure 2. 3: Conceptual Framework

2.5 Operationalization



Measures

Independent variables

Dependent variable

Source: Author (2018)

Figure 2. 4: Operational Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology which was used in this study. It focuses on: the research design, study area, the target population, sampling techniques, research instruments, the pilot study, data collection and data analysis.

3.2 Research Design

The study adopted a descriptive research design. A descriptive research design determines and reports the way things are. According to Mugenda and Mugenda as cited in Kyalo, katuse and Kiriri (2016) a descriptive study is carried out in order to describe the general characteristics of the study population and be able to describe the characteristics of the variable of interest in a situation.

3.3 Target Population

Target population in statistics is the specific population about which information is desired (Leedy & Ormrod, 2010). The target population in this study was the three mobile service providers in Kenya (See Appendix IV). The Target respondents were the 117 senior most managers from the companies' head offices in Nairobi County because they were conversant with the strategic leadership adopted in their organization and how it affects innovation.

3.4 Sampling Procedure and Sample Size

From the population of 117 target respondents the study applied the following formula for calculating sample size as derived from (Reinhilde & Bruno, 2016).

$$n = Z^2 \cdot P \cdot Q \cdot \left(\frac{N}{E^2(N-1) + Z^2 \cdot P \cdot Q} \right)$$

Where n: is the sample size.

N: is the total population; **Z** is the value of confidence limit; **E**= Error margin or accuracy which is equal 5; **P**= is the population of respondent who will respond positive to the question; **Q**= is the population of the respondent who will have negative view (1-100) =50. If it is not even then I can use the 50/50% which is 0.5 at 95% level of confidence

Z= 1.96

Calculation for sample size

$$n = 1.96^2 \times 50 \times 50 \left(\frac{117}{5^2(117 - 1) + 1.96^2 \times 50 \times 50} \right)$$
$$= 93$$

The sample size of the study was 93 respondents from a population of 117. The study used random sampling method to select study participants from the three companies. The study further used stratified sampling technique to arrive at the study sample size for every stratum.

Table 3. 1: Sample size

Category	Frequency	Ratio	Sample size
Safaricom Public Ltd	39	78.6	31
Airtel Kenya Ltd	39	78.6	31
Telkom Kenya Ltd	39	78.6	31
Total	117		93

3.5 Data Collection Procedure and Instruments

A semi-structured questionnaire was utilized to gather primary data. The questionnaire had a Likerts scale that make certain uniformity in response and encourage involvement. The questionnaire is chosen in this study because the respondents are literate and able to answer questions asked satisfactorily. Mugenda as cited in Machuki (2011) suggests that questionnaires are frequently used to get important information regarding a population under study.

3.6 Validity and Reliability of Research Instrument

Maxwell (2013) indicated that a pilot test is conducted to detect weaknesses in design and instrumentation and to provide proxy data for selection of a probability sample. According to McCleskey (2014), a pilot study is conducted when a questionnaire is given to just a few people with an intention of pre-testing the questions. Pilot test is an activity that assists the research in determining if there are flaws, limitations, or other weaknesses within the research instrument design and allows the researcher to make necessary revisions prior to the implementation of the study (Kvale, 2016). A pilot study was undertaken on ten (10) respondents from the companies under study to test the reliability of the questionnaire. The data from the pilot study was not used in the actual study.

According to Meeker and Escobar (2014) validity is the extent by which the sample of test items signify the content the test is meant to measure. Expert opinion was requested to comment on the significance and appropriateness of questions and give suggestions of corrections that need to be made to the makeup of the research tools. This helped to develop and better the content validity of the data to be collected.

The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials. Although unreliability is always present to a certain extent, there will generally be a good deal of consistency in the results of a quality instrument gathered at different times. The tendency toward consistency found in repeated measurements is referred to as reliability (Merriam, 2009). Internal consistency of the scales was measured using Cronbach's Alpha. The alpha value ranged between 0 and 1 with reliability increasing with the increase in the alpha value. Coefficients above 0.7 are generally accepted that shows acceptable reliability and 0.8 or higher is said to be good reliability (Munyoki & Mulwa, 2012). The cut-off value for this study therefore was 0.70; in essence, for items to be used together as a scale in this study, the items must be above the cut-off value.

3.7 Data collection Procedures

The researcher obtained a permit from the National Commission of Science Technology and Innovation (NACOSTI). This permit was copied to Sub-County Commissioner and Sub-County director of Education in Nairobi County, Kenya. A visit to the mobile service providers head offices participating in the study was made by the researcher to make appointment for administering the instruments. Questionnaires for the main studies

were administered in person to the respondents on agreed dates and collected immediately after they are filled.

3.8 Data Analysis and Presentation

Before analysis, the data collected will be checked for completeness and consistency. The collected data were sorted for order. It will be edited to remove errors and spot any inconsistencies and identify any problems resulting from the use of the questionnaire. Editing will make coding easier. Statistical package for social sciences (SPSS) for Windows, Version 22.0 (SPSS, 2017) was used for the statistical analyses of the data generated from the questionnaire survey. The data to be collected was purely quantitative and were analyzed by descriptive and inferential statistics. Descriptive statistics consisted of percentages, means and other central tendencies. The inferential statistics to test the study's hypotheses was Pearsons correlation analysis and multiple regression analysis.

Correlation analysis was used to test hypotheses by determining whether a relationship exists between the variables. Multiple regression analysis was used to test the hypotheses. The statistical tests was done at 95% significance level meaning that the study allows for an error of 5%. The regression equation took the form below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots\dots\dots \text{Model (1)}$$

Where α - Is a constant; the concept explaining the level of performance given and it's the Y value when all the predictor values (X_1 , X_2 , X_3 and X_4) are zero. Y is innovation, β_1 , β_2 and β_3 - are constants regression coefficients representing the condition of the independent variables to the dependent variables. X_1 = Transformational leadership; X_2 = transactional leadership; X_3 = distributed leadership; X_4 is the Delegative leadership and

ε - (Extraneous) Error term explaining the variability as a result of other factors not accounted for.

3.9 Research Ethics

The researcher obtained permission from the National Commission for Science Technology and Innovation (NACOSTI) before going to the field to commence data collection. The researcher avoided doing anything that would have caused physical or emotional harm to the subjects. The researcher ensured personal biases and opinions did not get in the way of the research. The purpose of the research was disclosed to respondents before they were requested to complete the questionnaire. When reporting the results of the study, the researcher ensured that the research report accurately represent what was observed or what was reported by the respondents after proper analysis of all the data collected.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter discusses the findings obtained from the primary instrument used in the study. It discusses the characteristics of the respondents, their opinions on influence of strategic leadership on innovation among mobile service providers in Kenya. In order to simplify the discussions, the researcher provided tables that summarize the collective reactions of the respondents.

4.1.1 Response Rate

Out of 93 questionnaires administered, a total of 80 filled questionnaires were returned giving a response rate of 86.02% which is within what Mugenda and Mugenda (2008) prescribed as a significant response rate for statistical analysis and established at a minimal value of 50%. The study made use of frequencies (absolute and relative) single response questions. For matrix questions, the study used Likert scale in collecting and analyzing where a scale of 5 points was used in computing the mean score and standard deviations. These were then presented in tables as appropriate with explanations being given in prose.

4.1.2 Reliability analysis

A pilot study was carried out to determine reliability of the questionnaires. The pilot study involved 8 respondents. Reliability analysis was subsequently done using Cronbach's Alpha which measures the internal consistency by establishing if certain

items within a scale measure the same construct. Frankfort-Nachmias and Nachmias (2012) established the Alpha value threshold at 0.7, thus forming the study’s benchmark. Cronbach Alpha was established for every objective which formed a scale. This illustrates that all the five scales were reliable as their reliability values exceeded the prescribed threshold of 0.7. This, therefore, depicts that the research instrument was reliable and therefore required no amendments.

Table 4. 2: Reliability Analysis

	Cronbach's Alpha
Transformational leadership	.812
Transactional leadership	.883
Distributed leadership	.846
Delegated leadership	.793

4.2 Characteristics of Respondents

The study sought to enquire on the respondents’ general information including gender, work experience and age bracket. This general information is presented below.

4.2.1 Gender of the Respondents

The respondents were also asked to indicate their gender. The results are as shown in Table 4.2.

Table 4. 3: Gender of the Respondents

	Percent
Male	70.2
Female	29.8
Total	100

As per the results above 70.2 % (33) of the respondents were female while 29.8 % of the respondents were male. This shows that mobile service providers in Kenya is dominated by male employees who are able to give accurate and reliable information on the subject under study.

4.2.3 Age of the Respondents

The respondents were also asked to indicate their age. The results are as shown in the Table 4.3.

Table 4. 4: Age of the Respondents

	Percent
18-30 years	10.6
31 – 40 years	17
41 – 50 years	42.6
51- 60 years	29.8
Total	100

From the above findings the respondents indicated their age bracket as 18-30 years, 41 – 50 years, 51-60 years, 31–40 years and as shown by percentages 42.6, 29.8, 17 and 10.6 respectively. Therefore mobile service providers in Kenya is composed of young population who were able to give reliable information about the subject under study.

4.2.3 Working Experience

The respondents were asked to indicate the number of years they had worked in their respective organizations. The results are as shown in the Table 4.5.

Table 4. 5: Working Experience

	Percent
Less than 1 year	8.5
1 – 5 years	12.8
6– 8 years	25.5
9 – 12 years	12.8
13 – 16 years	25.5
16 – 20 years	6.4
20 – 24 years	4.3
24 – 28 years	4.3
Total	100

From table 4.x the respondents indicated that the number of years they had worked in their organization were 13 – 16 years, 6– 8 years , 9 – 12 years, 1 – 5 years, less than 1 year, 16 – 20 years, 20 – 24 years and 24 – 28 years as shown by percentages 25.5, 25.5, 12.8, 12.8, 8.5, 6.4 and 4.3 respectively. Therefore, majority of the respondents had

worked in their respective firms for long enough to understand and be able to give relevant and reliable information related to the subject matter under study.

4.3 Transformational leadership

The study sought to determine the influence of transformational leadership on innovation among mobile service providers in Kenya, the study analyzed the descriptive statistics for the variable. The respondents' level of agreement was tested using a five point Likerts scale of 1-5 where 1 - strongly disagree (1-1.4), 2 – disagree (1.5-2.4), 3 – neutral (2.5-3.4), 4 – agree (3.5-4.4) and 5 - strongly agree (4.4-5). To establish the index of transformational leadership, the means of individual ranking on the items were calculated. The mean obtained were therefore used as an index for transformational leadership.

Table 4. 6: Agreement with various Statements on Transformational leadership

	Mean	SD
Team leaders instill pride in others for being associated with them	4.0	0.93
Team leaders go beyond self-interest for the good of the group	3.5	1.00
Team leader displays a sense of power and confidence	3.8	0.48
Team leader makes personal sacrifices for others benefit	3.6	0.88
Team leaders talk enthusiastically about what needs to be done	4.0	1.22
Team leaders expresses confidence that goals will be achieved	3.8	1.21
Team leaders talk optimally about the future	3.8	1.31
Team leaders articulate a compelling vision for the future	3.9	1.30
Team leaders re-examine critical assumptions to questions as to whether they are appropriate.	4.0	1.15
Team leaders get to look at problems from many different Angles	4.1	0.95
Team leaders seek differing perspectives when solving problems	4.3	1.00
Team leaders do not impose but allows some independence	4.2	1.05
Team leaders treat others as individuals rather than as members of a group	3.9	1.05
Team leaders spend time teaching and coaching	3.9	1.05
Team leaders help others to develop their strengths	3.8	1.05
Team leaders are empathetic and supportive	3.7	1.05
Average mean	3.9	

The results in Table 4.6 shows that majority of the respondents strongly agreed that team leaders instill pride in others for being associated with them, team leaders re-examine critical assumptions to questions as to whether they are appropriate, team leaders get to look at problems from many different angles, team leaders seek differing perspectives when solving problems and that team leaders do not impose but allows some independence as shown by mean scores greater than 4.0.

Also the respondents agreed that team leaders articulate a compelling vision for the future, team leaders treat others as individuals rather than as members of a group and that team leaders spend time teaching and coaching as shown by mean scores of 3.9 each. The respondents agreed that Team leaders help others to develop their strengths, team leader displays a sense of power and confidence, team leaders expresses confidence that goals will be achieved, team leaders talk optimally about the future as shown by means of 3.8 each. Lastly, the respondents agreed that team leaders go beyond self-interest for the good of the group and that the team leader makes personal sacrifices for others benefit as shown by mean scores of 3.5 and 3.6 respectively.

4.4 Transactional Leadership

The study sought to determine the influence of transactional leadership on innovation among mobile service providers in Kenya, the study analyzed the descriptive statistics for the variable. The respondents' level of agreement was tested using a five point Likerts scale of 1-5 where 1 - strongly disagree (1-1.4), 2 – disagree (1.5-2.4), 3 – neutral (2.5-3.4), 4 – agree (3.5-4.4) and 5 - strongly agree (4.4-5). To establish the index of transformational leadership, the means of individual ranking on the items were

calculated. The mean obtained were therefore used as an index for transactional leadership.

Table 4. 7: Agreement with various Statements on Transactional leadership

	Mean	SD
Team leaders provide information that followers ask in turn of performing my wants	4.0	0.93
Team leaders clarify expectations and identify recommendations when the goals are realized.	3.5	1.00
Team leaders actively supervise the performance and provide correct reaction at time of problem.	3.8	0.48
Team leaders set standards for realization of goals and he may describe inefficient performance and his followers are punished or rewarded according to their achievement to standards	3.6	0.88
Team leaders do not interfere in problems until they get serious	4.0	1.22
Team leaders react after occurring errors or other performance problems	3.8	1.21
Team leaders essentially avoid setting agreements, specifying expectations and describing goals and standards for his followers	3.8	1.31
Team leaders take measure only when the problem occurs and he does not act until the issues are acute and serious	3.9	1.30
Average mean	3.8	

From the results the respondents agreed that team leaders provide information that followers ask in turn of performing my wants and that team leaders do not interfere in problems until they get serious as shown by mean scores of 4.0 each. The respondents also agreed that team leaders take measure only when the problem occurs and he does not act until the issues are acute and serious as shown by mean score of 3.9. Further, the respondents also agreed that team leaders actively supervise the performance and provide

correct reaction at time of problem, team leaders react after occurring errors or other performance problems and that team leaders essentially avoid setting agreements, specifying expectations and describing goals and standards for his followers as shown by mean scores of 3.8 each. Lastly the respondents were in agreement with the statements that team leaders set standards for realization of goals and he may describe inefficient performance and his followers are punished or rewarded according to their achievement to standards and that team leaders clarify expectations and identify recommendations when the goals are realized as shown by means scores of 3.6 and 3.5 respectively.

4.5 Distributed leadership

The study sought to determine the influence of distributed leadership on innovation among mobile service providers in Kenya, the study analyzed the descriptive statistics for the variable. The respondents' level of agreement was tested using a five point Likerts scale of 1-5 where 1 - strongly disagree (1-1.4), 2 – disagree (1.5-2.4), 3 – neutral (2.5-3.4), 4 – agree (3.5-4.4) and 5 - strongly agree (4.4-5).

Table 4. 8: Agreement with various Statements on Distributed Leadership

	Mean	SD
Team leaders allow shared leadership and collective leadership	3.0	1.22
Leadership in our organization represents a dynamic, interactive influence process among team members to lead one another to the achievement of team goals	1.8	1.21
The CEO's use of empowering leadership behavior specifically focuses on the encouragement of leadership from below	2.8	1.31
Leadership in this organization is a form of empowering leadership where leadership activities or roles are 'distributed' by the formal leader more widely to team members	2.9	1.30
Average mean	3.1	

Majority of the respondents were neutral that team leaders allow shared leadership and collective leadership, leadership in this organization is a form of empowering leadership where leadership activities or roles are ‘distributed’ by the formal leader more widely to team members and that the CEO’s use of empowering leadership behavior specifically focuses on the encouragement of leadership from below as shown by mean scores of 3.0, 2.9 and 2.8 respectively. From the results the respondents disagreed that leadership in their organization represented a dynamic, interactive influence process among team members to lead one another to the achievement of team goals as shown by a mean score of 1.8.

4.6 Delegative Leadership

The study sought to determine the influence of delegated leadership on innovation among mobile service providers in Kenya, the study analyzed the descriptive statistics for the variable. The respondents’ level of agreement was tested using a five point Likerts scale of 1-5 where 1 - strongly disagree (1-1.4), 2 – disagree (1.5-2.4), 3 – neutral (2.5-3.4), 4 – agree (3.5-4.4) and 5 - strongly agree (4.4-5).

Table 4. 9: Agreement with various Statements on Delegative Leadership

	Mean	SD
The leader places great responsibility concerning innovation on lower level managers and employees	3.6	1.25
Employees who have the skills to analyze situations, and the confidence to implement decisions concerning innovation, may thrive under this style of leadership.	3.8	1.21
It can be effective if the leader monitors what's being achieved and communicates this back to the team regularly	3.8	1.34
Laissez-faire leadership is effective when individual team members are very experienced and skilled self-starters to ensure innovativeness	4.1	1.32
Managers allow employees to make the final decision concerning innovation	4.2	1.33
The effective manager will use the Delegative leadership style when the	4.4	1.09

situation is right		
The leader keeps interaction with followers, feedback, support and interaction to a minimum	4.1	0.91
Average mean	4.0	

Majority of the respondents agreed that the effective manager will use the Delegative leadership style when the situation is right as shown by a mean score of 4.4, they also agreed that the effective manager will use the delegative leadership style when the situation is right as shown by a mean score 4.2. The respondents also agreed that laissez-faire leadership is effective when individual team members are very experienced and skilled self-starters to ensure innovativeness and that the leader keeps interaction with followers, feedback, support and interaction to a minimum as shown by a mean score of 4.1 each. The respondents also agreed that employees who have the skills to analyze situations, and the confidence to implement decisions concerning innovation, may thrive under this style of leadership and that it can be effective if the leader monitors what's being achieved and communicates this back to the team regularly as shown by a mean score of 3.8 respectively. Lastly the respondents were in agreement with the statement that the leader places great responsibility concerning innovation on lower level managers and employees as shown by a mean score of 3.6.

4.7 Innovation

The study sought to determine the extent to which team leaders emphasized on various aspects of innovation, the study used a scale of 1 to 5 where 5 = very great extent; 4= great extent; 3= moderate extent; 2= low extent and 1 = no extent.

Table 4. 10: Agreement with various Statements on Innovation

	Mean	SD
Product quality	4.0	1.22
Product variety	3.8	1.21
Product features	3.8	1.31
After sales support	3.9	1.30
Customer service	3.7	0.92
New product development	3.8	1.23

From the findings the respondents indicated that team leaders emphasized to a great extent on product quality, product variety, and product features, after sales support, customer service and new product development as shown by means scores above 3.5.

4.8 Inferential Analysis

4.8.1 Correlational Analysis

The correlation matrix shows the strength or degree of linear association of a variable with itself or between variables (Gruman et al, (2011)). Colinearity between variables is shown in the Table 4.16. From the test results, the main diagonal entries from the upper left to the lower right corner give the correlation of one variable with itself, which is and should always be one. The other variables are pair-wise correlation among variables. Severe Multicollinearity problem is present if the correlation figures are high and there is no colinearity problem if the figures are low. From the matrix, the conclusion is that the model does not have Multicollinearity challenges.

Table 4. 11: Correlations Analysis Results

		TRFORM	TRSAC	DISTR	DELGL	INNO
TRFORM	Pearson Correlation	1				
	Sig. (2-tailed)					
TRSAC	Pearson Correlation	.629**	1			
	Sig. (2-tailed)	.000				
DISTR	Pearson Correlation	.524**	.569**	1		
	Sig. (2-tailed)	.000	.000			
DELGL	Pearson Correlation	.477**	.532**	.640**	1	
	Sig. (2-tailed)	.001	.000	.000		
INNO	Pearson Correlation	.539*	.491**	.510*	.453**	1
	Sig. (2-tailed)	.013	.001	.036	.002	

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Key: TRFORM = Transformation leadership; TRSAC = Transactional leadership; DISTR = Distributed leadership; DELGL = Delegative leadership and INNO = Innovation

Table 4.11 indicated that transformation leadership and transactional leadership have significant strong positive relationship as attributed by the correlation coefficient of 0.629 and p-value of 0.000. The results shows presence of a positive and significant strong relationship between distributed leadership and transactional leadership as proved by the p-value and the correlation coefficient (r=0.569, p=0.000). The correlation matrix table shows presence of strong and significant positive relationship between delegated and distributed leadership (r=0.640, p=0.000).

From the table, all the independent variables are positively related to innovation as attested by the respective correlation coefficients: Transformational leadership ($r=0.539$), Transactional leadership ($r=0.491$), Distributed leadership ($r=0.510$) and delegative ($r=0.453$). All the relationships are rendered significant since their p-values are less than 0.05. Accordingly, the ranking of the independent variables with their contribution to innovation was: Transformational leadership contributed more to innovation (53.9%), followed by distributed leadership (51.0%), and followed by Transactional leadership (49.1%) and finally delegative leadership (45.3%).

4.8.2 Regression Analysis

Regression analysis shows how dependent variable is influenced with independent variables. The study sought to investigate the influence of strategic leadership on innovation among mobile service providers in Kenya.

Table 4. 12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	.613	.576	.701

a. Predictors: (Constant), Transformation leadership, transactional leadership, distributed leadership and delegated leadership

Table 4.11 is a model fit which establish how fit the model equation fits the data. The adjusted R^2 was used to establish the predictive power of the study model and it was found to be 0.576 implying that 57.6% of the variations on innovation is explained by strategic leadership leaving 42.4% percent unexplained.

Table 4. 13: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.486	4	6.121	10.511	.000 ^b
	Residual	43.669	75	.5823		
	Total	68.185	79			

a. Dependent Variable: Innovation

b. Predictors: (Constant), transformation leadership, transactional leadership, distributed leadership

The probability value of 0.000 indicates that the regression relationship was highly significant in predicting how transformation leadership, transactional leadership, distributed leadership influence of innovation. The F calculated at 5 percent level of significance was 16.619 since F calculated is greater than the F critical (value = 2.4495), this shows that the overall model was significant.

Table 4. 14: Coefficients of Determination

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	23.619	2.574		9.177	.000
Distributed leadership	.467	.072	.643	6.444	.000
Transformational leadership	.534	.107	.618	5.011	.000
Transactional leadership	.321	.121	.326	2.659	.011
Delegated leadership	.237	.051	.235	4.676	.000

The established model for the study was:

$$Y = 23.619 + 0.467X_1 + 0.534X_2 + 0.321X_3 + 0.237X_4$$

The regression equation above has established that taking all factors into account (transformation leadership, transactional leadership, distributed leadership) constant at zero, innovation among mobile service providers is 23.619. The findings presented also

show that taking all other independent variables at zero, a unit change in transformational leadership would lead to a 0.534 units change in innovation. The variable was significant since 0.000 was greater than 0.05. The study also found that a unit change in distributed leadership would lead to a 0.467 units change in innovation. The variable was significant since 0.000 was less than 0.05, the study found that a unit change in transactional leadership would lead to a 0.321 units change in innovation. Lastly, the study found that a unit change in delegated leadership would lead to a 0.321 units change in innovation.

4.9 Hypotheses Testing Results

Hypothesis testing is a process by which the researcher infers the result of sample data on the larger population based on a presupposition made prior to commencement of research (Gujarati, 2016). The study performed hypothesis testing by determining statistical significance of the coefficients of explanatory variables. Test-of-significance method is meant to verify the truth or falsity of a null hypothesis by using sample results, showing that the means of two normally distributed populations are equal. This was done by using the two-tailed t-test statistic and the corresponding p -values at 1%, 5% and 10% levels. The decision to use a two-tailed test was based on the fact that the alternative hypothesis of the study is composite rather than directional (Gujarati, 2016). This procedure was carried out against the alternative hypotheses enumerated in section 1.4 of chapter one. In all the tests, the decision rule was that: if the p -value observed is less than the set alpha (significance level), then reject the null hypothesis and if the observed p -value is greater than the set alpha, do not reject the null hypothesis.

(a) H₁: Transformational leadership significantly influences innovation among mobile service providers in Kenya

The correlation analysis results in Table 4.10 show that transformational leadership have significant and positive relationship with innovation at 5% level of significance. This is based on the *p*-value corresponding to the coefficients equivalent to 0.013. This finding led the study to accept the stated alternative hypothesis with 95% confidence level and concluded that transformational leadership significantly influences innovation among mobile service providers in Kenya.

The findings concur with Kazmi and Naaranoja (2015) in their study ‘cultivating strategic thinking in organizational leaders by designing supportive work environment’ suggested that transformational leaders have been suggested to have an impact on innovation. Transformational leaders enhance innovation within the organizational context; in other words, the tendency of organizations to innovate. Transformational leaders use inspirational motivation and intellectual stimulation which are critical for organizational innovation. Transformational leaders promote creative ideas within their organizations and their behaviors are suggested to act as “creativity-enhancing forces”; individualized consideration “serves as a reward” for the followers, intellectual stimulation “enhances exploratory thinking”, and inspirational motivation “provides encouragement into the idea generation process”.

b) H₂: Transactional leadership significantly influences innovation among mobile service providers in Kenya.

The correlation analysis results in Table 4.10 show that transactional leadership have significant and positive relationship with innovation at 5% level of significance. This is based on the *p*-value corresponding to the coefficients equivalent to 0.001. This finding led the study to accept the stated alternative hypothesis with 95% confidence level and concluded that transactional leadership significantly influences innovation among mobile service providers in Kenya. The findings vary with Oldham and Cummings (2016) findings that found there was a negative influence of transactional way on individual creativity, because there is more limitation and control on what people do.

c) H₃: Distributed leadership significantly influences innovation among mobile service providers in Kenya

The correlation analysis results in Table 4.10 show that distributed leadership have significant and positive relationship with innovation at 5% level of significance. This is based on the *p*-value corresponding to the coefficients equivalent to 0.02. This finding led the study to accept the stated alternative hypothesis with 95% confidence level and concluded that distributed leadership significantly influences innovation among mobile service providers in Kenya. The study concurs with Atwood and Mora (2010) findings that distributed leadership influences innovation ($r = 0.345$, $P \text{ value} < 0.05$ at 95 percent level of confidence), the study further concluded that distribution involves multilaterally shared responsibility, indicating that groups may operate with various degrees of diffusion or concentration of leadership functions. In this sense, leadership roles,

responsibilities, activities, and functions are shared by two or more members, and will be distributed in various ways throughout the team to improve innovation.

c) H₄: Delegative leadership significantly influences innovation among mobile service providers in Kenya

The correlation analysis results in Table 4.10 show that delegated leadership have significant and positive relationship with innovation at 5% level of significance. This is based on the *p*-value corresponding to the coefficients equivalent to 0.02. This finding led the study to accept the stated alternative hypothesis with 95% confidence level and concluded that delegated leadership significantly influences innovation among mobile service providers in Kenya. The finding concurs with Gundersen et al., (2012) that delegative leadership style determine innovation in an organization is used by managers who want or need to allow employees to make the final decision. However, the manager is still responsible for the decisions that are made, A good manager will realize that there are times when he or she cannot or should not spend the time necessary to do the research needed in order to make a decision, particularly when there are knowledgeable and perfectly capable employees who could be given that task. This style shows employees that the manager trusts them, which will improve morale (Gundersen et al., 2012).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the objective of the study.

5.2 Summary of Findings

5.2.1 The Influence of transformational leadership on innovation among mobile service providers in Kenya

Descriptive statistics was used to analyze this research objective and other subsequent analysis was done. The results showed the average mean was 3.9 this meant that most of the respondents were in agreement with statements related to transformational leadership. Inferential statistical methods were used to arrive at the findings where deductions and relationships were established. After carrying out correlation analysis, the study results indicated that transformational leadership was positively and highly correlated with innovation. The regression analysis, indicated that transformational leadership was found to be statistically significant in explaining innovation since a unit change in transformational leadership only causes 0.534% change in innovation as indicated by regression coefficient.

5.2.2 The influence of transactional leadership on innovation among mobile service providers in Kenya

Descriptive statistics was used to analyze this research objective and other subsequent analysis was done. The results showed the average mean was 3.8 this meant that most of the respondents were in agreement with statements related to transactional leadership. Inferential statistical methods were used to arrive at the findings where deductions and relationships were established. After carrying out correlation analysis, the study results indicated that transactional leadership was positively and highly correlated with innovation. The regression analysis, indicated that transactional leadership was found to be statistically significant in explaining innovation since a unit change in transactional leadership only causes 0.321% change in innovation as indicated by regression coefficient.

5.2.3 The influence of distributed leadership on innovation among mobile service providers in Kenya

Descriptive statistics was used to analyze this research objective and other subsequent analysis was done. The results showed the average mean was 4.0 this meant that most of the respondents were in agreement with statements related to distributed leadership. Inferential statistical methods were used to arrive at the findings where deductions and relationships were established. After carrying out correlation analysis, the study results indicated that distributed leadership was positively and highly correlated with innovation. The regression analysis, indicated that distributed leadership was found to be statistically

significant in explaining innovation since a unit change in distributed leadership only causes 0.467% change in innovation as indicated by regression coefficient.

5.2.4 The influence of delegative leadership on innovation among mobile service providers in Kenya

Descriptive statistics was used to analyze this research objective and other subsequent analysis was done. The results showed the average mean was 4.0 this meant that most of the respondents were in agreement with statements related to delegative leadership. Inferential statistical methods were used to arrive at the findings where deductions and relationships were established. After carrying out correlation analysis, the study results indicated that delegative leadership was positively and highly correlated with innovation. The regression analysis, indicated that delegated leadership was found to be statistically significant in explaining innovation since a unit change in delegated leadership only causes 0.467% change in innovation as indicated by regression coefficient.

5.3 Conclusion

The study concludes that transformational leadership influenced innovation among mobile service providers in Kenya. Team leaders instill pride in others for being associated with them, team leaders re-examine critical assumptions to questions as to whether they are appropriate, team leaders get to look at problems from many different angles, team leaders seek differing perspectives when solving problems and that team leaders do not impose but allows some independence. Team leaders articulate a compelling vision for the future, team leaders treat others as individuals rather than as members of a group and that team leaders spend time teaching and coaching, team

leaders help others to develop their strengths, team leader displays a sense of power and confidence, team leaders expresses confidence that goals will be achieved, team leaders talk optimally about the future.

The study concludes that transactional leadership influenced innovation among mobile service providers in Kenya. Team leaders provide things that followers ask in turn of performing my wants and that team leaders do not interfere in problems until they get serious. Team leaders take measure only when the problem occurs and he does not act until the issues are acute and serious, team leaders actively supervise the performance and provide correct reaction at time of problem, team leaders react after occurring errors or other performance problems and that team leaders essentially avoid setting agreements, specifying expectations and describing goals and standards for his followers.

The study concludes that distributed leadership influenced innovation among mobile service providers in Kenya. Some team leaders did not allow shared leadership and collective leadership, leadership in this organization is a form of empowering leadership where leadership activities or roles are 'distributed' by the formal leader more widely to team members and that the CEO's use of empowering leadership behavior specifically focuses on the encouragement of leadership from below.

The study concludes that delegated leadership influenced innovation among mobile service providers in Kenya. The effective manager will use the delegative leadership style when the situation is right, the effective manager will use the delegative leadership style when the situation is right, laissez-faire leadership is effective when individual team members are very experienced and skilled self-starters to ensure innovativeness and that

the leader keeps interaction with followers, feedback, support and interaction to a minimum. Employees who have the skills to analyze situations, and the confidence to implement decisions concerning innovation, may thrive under this style of leadership and that it can be effective if the leader monitors what's being achieved and communicates this back to the team regularly.

5.4 Recommendations

The study established that transformational leadership influenced innovation among mobile service providers in Kenya. The study recommends transformational leaders should use inspirational motivation and intellectual stimulation which are critical for organizational innovation. Transformational leaders promote creative ideas within their organizations and their behaviors are suggested to act as “creativity-enhancing forces”; individualized consideration “serves as a reward” for the followers, intellectual stimulation “enhances exploratory thinking”, and inspirational motivation “provides encouragement into the idea generation process”.

The study established that transactional leadership influenced innovation among mobile service providers in Kenya. The study recommends transactional leaders to not only employ rewards and punishments, but focus more on goal-setting and control and base incentives on ‘contingent rewards’ (rewarding good performance and recognizing accomplishments) and ‘management by exception’ (active and passive search for deviations from existing rules and standards. This results in followers developing expectations about rewards that they receive in exchange for meeting a

transactional/instrumental leader's expectations, and that they act rather rationally in accordance with this.

The study established that distributed leadership influenced innovation, the study recommends that among mobile service providers in Kenya, team leaders should allow shared leadership and collective leadership, should ensure that leadership is a form of empowering leadership where leadership activities or roles are 'distributed' by the formal leader more widely to team members. The CEO's should make use of empowering leadership behavior specifically focuses on the encouragement of leadership from below.

5.5 Recommendation for Further Studies

While this study successfully examines the variables, it also presents rich prospects for several other areas to be researched in future. This study only was confined to four variables namely: transformation leadership, transactional leadership, distributed leadership and environmental dynamisms. Future research should consider other aspects of strategic leadership which affect innovation. Furthermore, an inclusion of intervening variables such as organizational structure and culture should also be incorporated in such studies. It would be useful to carry out the same type of research in other organizations and across East Africa and beyond and see whether the same results would be replicated.

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APPENDICES

Appendix I: Introduction Letter

Samuel G. Wakere
Kenya Methodist University
P.O Box
Nairobi
1st June 2018

General Manager
.....,
P.O. Box
Nairobi, Kenya.

Dear Sir,

RE: PERMISSION TO COLLECT DATA FOR ACADEMIC RESEARCH

I am a Masters of Business Administration student (Strategic Management) at Kenya Methodist University. As a requirement of my degree, I am supposed to carry out a research study intended to solve a problem within my area of specialization. I therefore intend to carry out a study on "The influence of strategic leadership on innovation among mobile service providers in Kenya". The information provided will solely be used to accomplish this academic goal. I therefore request you to allow me to gather information on projects within your area of jurisdiction.

Yours Faithfully,

Samuel G. Wakere

Appendix II: Questionnaire

SECTION 1: DEMOGRAPHIC DATA

Please tick in the most appropriate box. []

1. Organization (optional) _____
2. Kindly indicate your gender:

Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
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3. What is your age bracket?

18 to 24 Years	<input type="checkbox"/>	25 to 29 Years	<input type="checkbox"/>	
30 to 34 Years	<input type="checkbox"/>	35 to 39 Years	<input type="checkbox"/>	
40 to 44 Years	<input type="checkbox"/>	Above 45 Years	<input type="checkbox"/>	
4. What is your level in the organization?

Non-management	<input type="checkbox"/>	Lower management	<input type="checkbox"/>
Mid-management	<input type="checkbox"/>	Senior management	<input type="checkbox"/>
5. How long have you served in this organization?

3-5 years	<input type="checkbox"/>	6-10 years	<input type="checkbox"/>	
11-15 years	<input type="checkbox"/>	16-20 years	<input type="checkbox"/>	
21 years or more	<input type="checkbox"/>			
6. What is the size of your department?

10 or less	<input type="checkbox"/>	11-20	<input type="checkbox"/>	
21-30	<input type="checkbox"/>	31-40	<input type="checkbox"/>	
40 or more	<input type="checkbox"/>			

PART A: TRANSFORMATIONAL LEADERSHIP

7. In the Table below, Please indicate your appropriate response to the statements given by ticking in the correct box.

Key: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree and 5 = Strongly agree

	Idealized Influence	1	2	3	4	5
II1	Team leaders instill pride in others for being associated with them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II2	Team leaders go beyond self-interest for the good of the group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

II3	Team leader displays a sense of power and confidence					
II4	Team leader makes personal sacrifices for others benefit					
	Inspirational Motivation					
IM1	Team leaders talk enthusiastically about what needs to be done					
IM2	Team leaders expresses confidence that goals will be achieved					
IM3	Team leaders talk optimally about the future					
IM4	Team leaders articulate a compelling vision for the future					
	Intellectual Stimulation					
IS1	Team leaders re-examine critical assumptions to questions as to whether they are appropriate.					
IS2	Team leaders get to look at problems from many different Angles					
IS3	Team leaders seek differing perspectives when solving problems					
IS4	Team leaders do not impose but allows some independence					
	Individualized Consideration					
IC1	Team leaders treat others as individuals rather than as members of a group					
IC2	Team leaders spend time teaching and coaching					
IC3	Team leaders help others to develop their strengths					
IC4	Team leaders are empathetic and supportive					

PART B: TRANSACTIONAL LEADERSHIP

8. In the Table below, Please indicate your appropriate response to the statements given by ticking in the correct box.

Key: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree and 5 = Strongly agree

	Reward Dependent Leadership (Reward-Centered)	1	2	3	4	5
RDL1	Team leaders provide things that followers ask in turn of performing my wants					
RDL2	Team leaders clarify expectations and identify recommendations when the goals are realized.					

	Management by Exception (Active)					
ME1	Team leaders actively supervise the performance and provide correct reaction at time of problem.					
ME2	Team leaders set standards for realization of goals and he may describe inefficient performance and his followers are punished or rewarded according to their achievement to standards					
	Management by Exception (Passive)					
MbE1	Team leaders do not interfere in problems until they get serious					
MbE2	Team leaders react after occurring errors or other performance problems					
MbE3	Team leaders essentially avoid setting agreements, specifying expectations and describing goals and standards for his followers					
MbE4	Team leaders take measure only when the problem occurs and he does not act until the issues are acute and serious					

PART C: DISTRIBUTED LEADERSHIP

9. In the Table below, please indicate your appropriate response to the statements given by ticking in the correct box.

Key: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree and 5 = Strongly agree

	Distributed Leadership	1	2	3	4	5
DL1	Team leaders allow shared leadership and collective leadership					
DL2	Leadership in our organization represents a dynamic, interactive influence process among team members to lead one another to the achievement of team goals					
DL3	The CEO's use of empowering leadership behavior specifically focuses on the encouragement of leadership from below					

DL4	Leadership in this organization is a form of empowering leadership where leadership activities or roles are 'distributed' by the formal leader more widely to team members					
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PART C: DELEGATED LEADERSHIP

1. In the Table below, please indicate your appropriate response to the statements given by ticking in the correct box.

Key: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree and 5 = Strongly agree

	Delegated Leadership	1	2	3	4	5
DL1	The leader places great responsibility concerning innovation on lower level managers and employees					
DL2	Employees who have the skills to analyze situations, and the confidence to implement decisions concerning innovation, may thrive under this style of leadership.					
DL3	It can be effective if the leader monitors what's being achieved and communicates this back to the team regularly					
DL4	Laissez-faire leadership is effective when individual team members are very experienced and skilled self-starters to ensure innovativeness					
DL5	Managers allow employees to make the final decision concerning innovation					
DL7	The effective manager will use the Delegation leadership style when the situation is right					
DL8	The leader keeps interaction with followers, feedback, support and interaction to a minimum					

SECTION C: INNOVATION

To what extent do team leaders emphasize on the following aspects of innovation performance? Use a scale of 1 to 5 where 1 = very great extent; 2= great extent; 3= moderate extent; 4= low extent and 5 = no extent.

	Innovation Constructs	1	2	3	4	5
I1	Product quality					
I2	Product variety					
I3	Product features					
I4	After sales support					
I5	Customer service					
I6	New product development					

2. In your own opinion what do you think should be done to improve innovation in your organization?

.....

.....

.....

.....

Thank you for your participation

Appendix III: Mobile service Provider (Departments)

	Departments												
	A	B	C	D	E	F	G	H	I	J	K	L	M
Safaricom Public ltd	3	3	3	3	3	3	3	3	3	3	3	3	3
Airtel Kenya ltd	3	3	3	3	3	3	3	3	3	3	3	3	3
Telkom Ltd	3	3	3	3	3	3	3	3	3	3	3	3	3
Total	9	9	9	9	9	9	9	9	9	9	9	9	9

N = 117

Key: A = Human Resource Development; B = Finance; C = Consumer business; D = Risk management; E = Entreprise Business unit; F = Information Technology; G = Research and Financial Stability; H = strategy and innovation; I = Communication; J = Internal Audit; K = Financial services; L = Customer services; M = Corporate affairs

Source: Human resource report (2017)