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Effect of Idealised Influence Dimension on Organizational Performance of the South Eastern Kenya Economic Bloc (SEKEB) Counties: The Moderating Role of Innovation

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Abstract

Following the promulgation of the new constitution in Kenya in 2013, county governments were established, and since then, they have faced various performance challenges. This study aimed to explore the impact of idealized influence on county government performance within the South Eastern Kenya Economic Bloc (SEKEB). Guided by transformational leadership theory and supported by strategic leadership, resource-based view, and stakeholder theories, the study employed a pragmatic philosophy and descriptive research design. A sample of 289 respondents was selected through stratified random sampling from a target population of 408. The research utilized a pilot study to ensure the reliability and validity of the questionnaire. Descriptive and inferential statistical techniques were applied to analyze the data. The study's findings revealed that idealized influence had a significant and positive effect on county government performance. This suggests that leaders, who exhibit idealized influence, by acting as role models and inspiring their teams, can substantially enhance performance outcomes. Innovation did not significantly impact the results in this study; it remains an important aspect of organizational growth. County governments should continue to foster innovative practices but should also monitor and evaluate their impact more closely to ensure alignment with overall performance objectives. Adjustments or new approaches to innovation may be necessary to better support leadership effectiveness and organizational outcomes of county governments.

Keywords: Idealized Influence, Organisational Performance, Transformational Leadership and South Eastern Kenya Economic Bloc.

I. Introduction

Organizational performance refers to an organization's ability to capitalize on opportunities by leveraging its strengths, addressing its weaknesses, and mitigating potential threats (Oon, 2015). Organizational performance can be observed at three distinct levels: individual, team, and organizational (Singh & Gupta, 2016). This study focuses on performance at the organizational level. Transformational leadership plays a critical role in fostering effective organizations, as enhanced performance is achieved when the organization engages positively with its environment (Tiri, Ogolla, &Mburu, 2015). When leaders aim to develop and improve organizational operations, prioritizing organizational performance is paramount. This variable is

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a core indicator of the organization's growth and sustainability. Essentially, continuous improvement in organizational performance reflects the organization's fundamental strategic objectives (Ogolla, 2020).

Idealized influence refers to actions that inspire pride in followers, fostering a deep connection with the leader. This aspect of leadership indicates that the leader prioritizes the collective good over personal interests and is willing to make sacrifices for the well-being of others. A transformational leader who exemplifies these traits instills confidence and offers support, helping others navigate challenges. They promote teamwork and highlight the significance of a shared sense of purpose. Leaders who embody idealized influence are often admired by their followers, who see them as charismatic representations of the organization's values and mission. The successful implementation of transformational leadership dimensions—such as individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence—combined with the moderating effect of innovation, leads to positive outcomes in the performance of counties within the SEKEB (Bass, 2005; Riaz, 2012).

However, the General Auditor's Report for Machakos County in 2018/2019 highlighted a budget allocation discrepancy, where 39% of the funds were spent on personal emoluments instead of the recommended 35%. This misallocation of resources impeded the county's development projects and services. The 2019/2020 audit report further revealed that the expected level of service delivery in Machakos County was not achieved. Of the 27 planned projects, only 2 were completed a year after their contract periods had expired. Notable incomplete projects mentioned in the 2019/2020 report included the stalled construction of Masii and Mavoko stadiums, drainage systems in Tala town, non-motorized transport and parking facilities, a non-functional fire station, and the Governor's Lodge.

Similarly, the 2015/2016 audit report for Makueni County indicated that only 23% of the total budget was allocated to development. The 2019/2020 General Auditor's Report for Makueni County showed that county expenditure exceeded the 35% threshold set by Section 25 (1)(a) and 25(b) of the Public Finance Management (County Governments) Regulations, 2015. As a result, excessive spending on personnel emoluments reduced the resources available for development projects and essential services.

In Kitui County, the 2015/2016 audit report revealed that only 14% of the budget was dedicated to development projects. The 2019/2020 General Auditor's Report for Kitui County noted several incomplete projects, including the installation of water heating systems at Kitui County Referral Hospital, the construction of a medical store and an x-ray room at Kauwi Sub-County Hospital, the construction of a medical ward at Mwingi Level IV Hospital, and the construction of a tuition block at KMTC Mwingi Hospital. Physical inspections of these projects in Kitui County revealed that they had stalled at the foundation level, with only 1% of the construction completed. These insufficient allocations negatively impacted service delivery, reflecting poor county performance.

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Transformational leadership encompasses several key dimensions that contribute to its effectiveness (Ogola et al. 2017). These dimensions of idealized Influence are where leaders act as role models and gain followers' trust and respect through their ethical behavior and commitment. They exhibit high standards of conduct and are willing to make personal sacrifices for the greater good of the organization. Leaders provide personalized support and attention to each follower's needs and development(Amin 2016). They act as mentors or coaches, helping followers to grow and achieve their full potential. Offers individualized support, recognizes unique contributions, and provides opportunities for personal development. These dimensions collectively contribute to transformational leadership's ability to inspire and drive significant organizational change and performance (Abu et al, 2013).

Earlier research by scholars like Khalil and Sahibzadah (2017) did not extensively explore the impact of transformational leadership on organizational performance. Additionally, many studies have neglected to consider how innovation might moderate the relationship between transformational leadership dimensions and organizational performance. This study seeks to address these gaps by investigating the influence of transformational leadership dimensions on the performance of county governments in the South Eastern Kenya Economic Bloc (SEKEB), with a specific emphasis on the moderating role of innovation.

2. Literature Review

2.1 Concept of transformational leadership

The concept of transformational leadership was first introduced by Downton in 1973, and later expanded by Burns in 1978 and Bass in 1985. Bass (1985) proposed that leaders influence their subordinates by helping them recognize the importance of tasks and encouraging them to prioritize organizational and team goals over individual interests. The theory is centered on fostering positive change in subordinates and preparing them to become future leaders. Burns identified three key behaviors in leadership: the leader's ability to inspire followers (known as charismatic leadership), addressing individual needs (individualized consideration), and promoting innovation and problem-solving (intellectual stimulation). Bass (1985) further refined the theory by introducing four dimensions: individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence. This study's conceptual framework is based on these four dimensions (Odumeru&Ifaenyi, 2013).

Transformational leadership stands out from earlier and contemporary leadership theories due to its focus on aligning with a greater good. It involves engaging followers in processes that connect their personal interests with the organization's goals, ultimately leading to superior outcomes for stakeholders (Ogolla, 2020). This leadership approach combines charismatic, personalized influence—such as providing vision, encouraging high standards, and motivating followers—with a competence-oriented professionalism focused on achieving results (Andersen, 2015).

The relevance of transformational leadership lies in its capacity to drive organizational progress by fostering a willingness to change, improve, and expand over time. When organizations

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implement new initiatives, such as innovations aimed at elevating performance, transformational leadership is an effective style for aligning employees with the envisioned goals. Leaders who embrace and enact these changes inspire others to follow suit, ultimately enabling the organization, its leaders, and its followers to achieve their full performance potential.

The theory assumes that transformational leadership has evolved as a modern approach to management practices in today's competitive environment. It is viewed as a catalyst for innovation, which serves as a pathway to sustainable growth and exceptional organizational performance (Nayak, 2016). However, a limitation of the theory is that the generation and execution of strategies do not consistently lead to continuous organizational performance improvements (Jaleha, 2018).

Idealized Influence as a dimension of transformational leadership, impacts organizational performance in several key ways: Leaders exhibiting Idealized Influence serve as role models by demonstrating ethical behavior, integrity, and commitment to the organization's values. Their actions and decisions inspire trust and admiration from employees. Idealized Influence involves leaders who articulate a clear and compelling vision for the organization. By demonstrating unwavering commitment to this vision, leaders motivate employees to align their efforts with organizational goals (Kemal &Surji, 2015).

Innovation refers to the introduction of new ideas, processes, products, or services that can drive improvements and enhance performance within an organization. To understand how innovation affects the relationship between idealized influence and organizational performance, it's important to recognize the role of innovation as a moderating variable.

2.2 Empirical Literature Review

2.2.1 Idealized Influence on Organizational Performance

Chacha (2020) conducted a quantitative study in the banking sector of Dar-es-Salaam to explore the effect of idealized influence on employee performance. The findings revealed a significant positive relationship between idealized influence and employee performance, indicating that leaders who exhibit these traits can enhance productivity. The study recommended that leaders who serve as role models and are committed to achieving the organizational vision can improve overall firm performance. Such leaders prioritize the collective good, consider ethical implications, and create a positive impact within the organization, ultimately contributing to higher organizational performance.

In a study conducted by Kwasi and Seth (2018) in Ghana, the relationship between idealized influence in transformational leadership and active management by exception in transactional leadership was examined in the context of engineers and technicians in the power transmission sub-sector. The research employed a quantitative, cross-sectional survey approach, collecting data from 278 participants via a questionnaire. The analysis, using covariance-based structural equation modeling, showed that idealized influence positively and significantly affected workers' compliance with and engagement in safety programs. While the current study used a descriptive

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research method, this study utilized a cross-sectional survey design and structural equation modeling.

Angela et al. (2017) researched the impact of idealized influence and individualized consideration on organizational commitment in Commercial Banks in Kenya. The study adopted a positivist philosophy and descriptive correlational approach, surveying 150 senior managers from a target population of 240. The results, analyzed through inferential statistics, demonstrated that organizational commitment was strongly influenced by individualized attention, with organizational culture serving as a moderating factor. While the current study employed a mixed-design approach, this study used a descriptive correlational research design, with idealized influence included as an independent variable.

In Kenya, Njiinu (2018) explored the impact of idealized influence and inspirational motivation on job satisfaction among commercial bank employees. The study employed a descriptive correlational design and a positivist research philosophy, targeting a population of 10,310 with a stratified random sample of 424 employees. The data, collected through a structured questionnaire with an 82% response rate, were analyzed using descriptive and inferential statistics, including chi-square, Pearson's correlation, ANOVA, and multiple regression. The findings indicated significant positive relationships between idealized influence, job stability, inspiration, and satisfaction. Both idealized influence and inspirational motivation were found to significantly impact job satisfaction in a multivariate regression analysis. While that study followed a positivist research philosophy, the current study adopts a more pragmatic approach. Nyokabi and Nienga (2017) examined the effects of the Chief Executive Officer's (CEO) idealized influence and inspirational motivation on the performance of senior managers in Kenya's private sector. Utilizing a descriptive correlational method and a positivist framework. the study gathered data from a randomly selected sample through a pre-designed questionnaire. The analysis, employing descriptive statistics like frequencies, means, and standard deviations, alongside inferential statistics such as Pearson regression, ANOVA, and multiple regression, revealed that senior managers' perceptions of their CEO's influence were strongly predictive of their performance. The CEO's inspirational motivation was also found to have a significant impact on executive performance. The study suggested that goal orientation moderated the relationship between the CEO's idealized influence and inspirational motivation. While the previous study followed a positivist research theory, the current study takes a pragmatic approach.

Ogola et al. (2017) investigated the impact of idealized leadership on employee productivity in Kenyan SMEs using a correlational study design. The findings demonstrated a positive and significant relationship between the idealized influence of leaders and employee performance, with the study showing that leaders who inspire confidence, set ethical standards, and act as role models can significantly enhance productivity. The study also reported a strong correlation between the leader's idealized behavior and staff performance in SMEs.

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Ngaithe et al. (2016) studied the effects of idealized influence and inspirational motivation on performance in Kenyan state-owned enterprises. The study adopted a positivist worldview and a descriptive research strategy, utilizing detailed questionnaires completed by selected members of top management. The analysis, which included factor analysis, correlation analysis, and multiple linear regression models, found that idealized influence significantly and positively impacted worker productivity, with employee output improving when leaders led by example. In this study, idealized influence was the independent variable, whereas the current study uses transformational leadership as the independent variable.

Leonard and Michael (2016) conducted a study on the impact of idealized influence and inspirational motivation on employee productivity in Kenyan state-owned enterprises. Using a positivist theoretical framework and a descriptive research approach, they surveyed 163 senior managers randomly selected from a pool of 275. The study used questionnaires to collect data, which were then analyzed using factor analysis, correlation analysis, and ordinary least squares models. The results indicated a positive and significant correlation between idealized influence and employee productivity, with inspirational motivation also enhancing organizational productivity. The study concluded that both idealized influence and inspirational motivation play crucial roles in boosting employee productivity, with idealized influence serving as the independent variable in this context, while transformational leadership is the independent variable in the present study.

3. Research Methodology

This study adopted a pragmatic research philosophy, which emphasizes the role of the decision-maker in real-world situations. Pragmatism is concerned with addressing practical problems in the real world, rather than relying on theoretical assumptions about the nature of knowledge (Creswell, 2014; Shannon-Baker, 2016). As an action-oriented approach, pragmatism focuses on finding effective solutions (Cameron, 2011).

The study employed a descriptive research design to effectively describe and analyze the impact of transformational leadership dimensions on the organizational performance of county governments within the South Eastern Kenya Economic Bloc. This approach was crucial as it facilitated the comprehensive collection of data from respondents on all relevant variables. Previous research utilizing this design includes studies by Ondari et al. (2018, 2019), Benta et al. (2018), Nyakawa (2021), and Karimi&Morshedi (2015).

The South Eastern Kenya Economic Bloc (SEKEB) was chosen for this study due to issues with the performance of projects that had been initiated but poorly executed. These issues included unmet targets, stalled projects resulting in inadequate and unreliable services, imprudent resource use, and delays in project completion.

The target population for this study comprised 408 respondents from Machakos, Makueni, and Kitui counties. This included 30 county executive committee members, 47 county chief officers, 136 directors, and 195 deputy directors. These individuals were selected from the top

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management levels of the county government. Stratified sampling technique was used to divide the target population into sub-groups, ensuring representation from all SEKEB counties. This method was chosen to draw conclusions about the entire population based on the sample (Cooper & Schindler, 2014). Given the heterogeneous nature of the population, stratified random sampling ensured that each county was adequately represented. The sample size of 202 was determined using Yamane's formula with a 95% confidence level (0.05).

Data were collected using structured questionnaires, which were selected for their efficiency in processing and analyzing data. Questionnaires are advantageous for gathering information from a large number of respondents within a specified timeframe. They facilitate quantitative analysis and maintain respondent anonymity (Mugenda&Mugenda, 2003).

4. Results and Discussion

Out of the 289 questionnaires distributed to respondents, 235 were completed and returned, resulting in a response rate of 81.31%, which was deemed adequate for the study (Saunders et al., 2021). Fifty-four questionnaires were not returned, and eighteen were incorrectly filled, making them unsuitable for analysis. Consequently, 217 questionnaires were properly completed and returned, yielding a response rate of 75.1%. A response rate above 55% is considered sufficient for data analysis (Miller, 2011). According to Visser et al. (1996), achieving a high response rate is crucial for obtaining unbiased estimates.

4.1 Correlation

Table 4.1 shows the relationship between idealized influence, individualized consideration, and organizational performance.

| | | Idealised influence | Organisational performance |
|---------------|-----------------|---------------------|----------------------------|
| | Pearson | | |
| Idealized | Correlation | | |
| Consideration | Sig. (2-tailed) | | |
| | N | | |
| | Pearson | .526** | 1 |
| Organiational | Correlation | .520 | 1 |
| Performance | Sig. (2-tailed) | .000 | |
| | N | 217 | 217 |

This table shows that the Pearson Correlation between organizational performance and idealized influence is 0.526, which is statistically significant with a p-value of 0.000 and is based on a sample size of 217. The correlation analysis revealed a moderate, positive, and significant relationship between idealized influence and county performance, with a correlation coefficient of (r = 0.526), (N = 217), and (p < 0.001).

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4.2 Regression Analysis

The goal of this study was to assess the impact of leaders' idealized influence on the performance of county governments within the South Eastern Kenya Economic Bloc. The hypothesis proposed that idealized influence would not have a statistically significant effect on the performance of these county governments.

The results of the regression analysis, as summarized in Tables 4.2, 4.3, and 4.4, provide insights into the relationship between idealized influence and organizational performance. These tables present the model summary, which includes key metrics such as the R-squared value, coefficients, and significance levels, indicating whether the idealized influence of leaders significantly affects organizational performance.

Model summary for idealised influence on organisational performance is shown in table 4.2, 4.3 and 4.4.

Table 4.2 Model Summary for Idealised Influence Dimension on Organisational Performance

| Model Summary | | | | | | | |
|---------------|------------|------------------|-------------------|----------------------------|--|--|--|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | | |
| 1 | $.526^{a}$ | .277 | .273 | .73811 | | | |
| a. Predic | tors: (Con | stant), Idealise | ed influence | | | | |

Source: Field Data, (2023)

The results of R = 0.526 indicate a moderate positive correlation between idealized influence and organizational performance. **R Square (Coefficient of Determination):** 0.277 means that approximately 27.7% of the variance in organizational performance can be explained by the idealized influence of leaders. **Adjusted R Square:** 0.273 accounts for the number of predictors in the model and provides a more accurate measure of how well the idealized influence explains the variance in performance, adjusted for sample size and number of predictor. **Std. Error of the Estimate:** 0.73811 represents the average distance that the observed values fall from the regression line, indicating the precision of the predictions made by the mode. This implied that the model shows a moderate correlation between idealized influence and organizational performance, with the idealized influence explaining a notable portion of the variance in performance.

The ANOVA results for the impact of idealized influence on organizational performance are presented in Table 4.3. This analysis assesses whether the regression model significantly explains the variance in organizational performance.

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Table 4.3: ANOVA ^a for Idealised Influence Dimension on Organisational Performance

| AN | NOVA ^a | | | | | | |
|-------|-------------------|-------------------|-----|-------------|--------|------------|--|
| Model | | Sum of Squares Df | | Mean Square | F | Sig. | |
| | Regression | 44.607 | 1 | 44.607 | 81.877 | $.000^{b}$ | |
| 1 | Residual | 116.587 | 214 | .545 | | | |
| | Total | 161.194 | 215 | | | | |

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Idealised influence

Source: Field Data, (2023)

The ANOVA results demonstrate that the model including idealized influence as a predictor significantly explains variations in organizational performance, as evidenced by the high F-statistic of 81.877 and the p-value of 0.000. This p-value is less than 0.05, indicating that the relationship between idealized influence and organizational performance is statistically significant. This indicates that the idealized influence of leaders is a statistically significant predictor of organizational performance. The significant F-test suggests that the idealized influence dimension of leadership plays a crucial role in explaining differences in performance across county governments in the South Eastern Kenya Economic Bloc.

Table 4.4Regression Coefficients

| C | oefficients ^a | | | | | |
|-------|--------------------------|------------------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | | Cia |
| | | В | Std. Error | Beta | ι | Sig. |
| 1 | (Constant) | 1.537 | .164 | | 9.347 | .000 |
| 1 | Idealised influence | .438 | .048 | .526 | 9.049 | .000 |

a. Dependent Variable: Organisational performance

Source: Field Data, (2023)

Table 4.4 presents the regression coefficients for the model evaluating the impact of idealized influence on organizational performance. The regression coefficients reveal that idealized influence has a statistically significant and positive impact on organizational performance. The positive unstandardized coefficient (0.438) suggests that an increase in idealized influence is associated with a notable increase in performance. This coefficient indicates that for each unit increase in idealized influence, organizational performance is expected to increase by 0.438 units, holding all other factors constant. The standardized Beta value (0.526) further supports the strength of this relationship. The high t-values and significant p-values for both the constant and the idealized influence coefficient confirm the robustness of these results. Overall, idealized influence significantly contributes to enhancing organizational performance in the South Eastern Kenya Economic Bloc.

The regression equation for predicting organizational performance based on idealized influence is:

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Y = 1.537 + 0.438X

4.2.1 Innovation, Idealized Influence Dimension on Organizational Performance

Incorporation of the effect of innovation on the relationship between idealized influence and organizational performance, the researcher needs to adjust the regression model to account for this moderating effect. Assuming that the study includes an interaction term between idealized influence and innovation, the model can be expressed as follows.

A simple regression model was used to find the moderating role of innovation on the relationship between idealised influence dimension and organisation performance. Results are shown in tables 4.5, 4.6 and 4.7 respectively.

Table 4.5: Model Summary for Innovation, Idealised Influence Dimension on Organisational Performance

| Model Summary | | | | | | | | | |
|--|-------------------|-------------|----------------------|----------------------------------|-----------------------|-------------|-----|-----|------------------|
| | R R Square | | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
| Model | | R Square | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .526ª | .277 | .273 | .73811 | .277 | 81.877 | 1 | 214 | .000 |
| 2 | .528 ^b | .279 | .272 | .73890 | .002 | .541 | 1 | 213 | .463 |
| a. Predictors: (Constant), Idealised influence | | | | | | | | | |

b. Predictors: (Constant), Idealised influence, Innovation

Source: Field Data, (2023)

The addition of innovation to the model results in only a marginal increase in R Square (from 0.277 to 0.279), and the change is not statistically significant (Sig. F Change = 0.463). The pvalue is greater than 0.05, indicating that the addition of innovation does not significantly improve the model's ability to predict organizational performance. This suggests that innovation does not significantly enhance the model's explanatory power for organizational performance beyond what is explained by idealized influence alone.

Idealized influence, by itself, has a significant and moderate impact on organizational performance, as shown by the F Change and Sig. F Change values in Model 1. The relationship is robust, but the addition of innovation does not markedly improve the model's fit. While Model 1 (idealized influence only) explains a substantial portion of the variance in organizational performance, the incremental value of adding innovation in Model 2 is minimal. This implies that the impact of idealized influence on performance is relatively independent of innovation, at least within the scope of this study.

Overall, while idealized influence remains a significant predictor of organizational performance, innovation does not appear to substantially affect this relationship in the context of the South

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Eastern Kenya Economic Bloc. This finding may suggest that while innovation is important, its role as a moderator in this specific setting might not be as impactful as anticipated.

The ANOVA results, as shown in Table 4.6, provide insight into how the inclusion of innovation alongside idealized influence affects the model's ability to explain organizational performance.

Table 4.6: ANOVA^a for Innovation, Idealized Influence Dimension on Organisational Performance

| AN | ANOVA ^a | | | | | | | | |
|-------|--------------------|-------------------|-----|-------------|--------|-------------------|--|--|--|
| Model | | Sum of Squares Df | | Mean Square | F | Sig. | | | |
| | Regression | 44.607 | 1 | 44.607 | 81.877 | .000 ^b | | | |
| 1 | Residual | 116.587 | 214 | .545 | | | | | |
| | Total | 161.194 | 215 | | | | | | |
| | Regression | 44.902 | 2 | 22.451 | 41.121 | $.000^{c}$ | | | |
| 2 | Residual | 116.292 | 213 | .546 | | | | | |
| | Total | 161.194 | 215 | | | | | | |

a. Dependent Variable: Organisational performance

b. Predictors: (Constant), Idealised influence

c. Predictors: (Constant), Idealised influence, Innovation

Source: Field Data, (2023)

The F-value is high and the p-value is less than 0.05, indicating that the model with idealized influence alone significantly explains the variance in organizational performance. The F-value is lower compared to Model 1, but still statistically significant, suggesting that the model with both idealized influence and innovation explains the variance in organizational performance. The **R**² **Change** from Model 1 to Model 2 is 0.002, with a p-value of 0.463, indicating that the addition of innovation does not significantly improve the model's explanatory power. This implies that while innovation does contribute to the model, it does not substantially enhance the prediction of organizational performance when compared to idealized influence alone.

The results suggest that while both idealized influence and innovation are important, innovation does not add significant value to the predictive capability of the model for organizational performance in this context. Idealized influence remains a strong predictor, but the role of innovation as a significant factor is less clear.

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Table 4.7: Coefficients for Innovation, Idealised Influence Dimension on Organisational Performance

| C | Coefficients ^a | | | | | | | | |
|-------|---------------------------|--------------------------------|------------|------------------------------|-------|------|--|--|--|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | | |
| | | В | Std. Error | Beta | | | | | |
| | (Constant) | 1.537 | .164 | | 9.347 | .000 | | | |
| 1 | Idealised influence | .438 | .048 | .526 | 9.049 | .000 | | | |
| | (Constant) | 1.742 | .323 | | 5.395 | .000 | | | |
| 2 | Idealised influence | .438 | .048 | .525 | 9.026 | .000 | | | |
| | Innovation | 051 | .070 | 043 | 735 | .463 | | | |

a. Dependent Variable: Organisational performance

Source: Field Data, (2023)

In this model, **Model 1** (**Idealized Influence Only**): idealized influence is a significant positive predictor of organizational performance with a beta coefficient of .526, indicating a strong relationship. The constant term is also significant. **Model 2** (**Idealized Influence and Innovation**): When innovation is added to the model, its coefficient is not statistically significant (p = .463), suggesting that innovation does not have a meaningful impact on organizational performance when considered alongside idealized influence. The beta for idealized influence remains substantial, indicating its continued importance as a predictor.

Model 1: (Idealized Influence Only):

Organizational Performance=1.537+0.438×Idealized Influence

Model 2: (Idealized Influence and Innovation):

Organizational Performance=1.742+0.438×Idealized Influence-0.051×Innovation

The results indicate that idealized influence remains a strong and significant predictor of organizational performance. The addition of innovation does not significantly alter the predictive power of the model, as evidenced by its non-significant coefficient and the overall stability of the idealized influence predictor.

5. Conclusions and Recommendations

The study aimed to evaluate the effect of idealized influence and the potential moderating role of innovation on the performance of county governments in the South Eastern Kenya Economic Bloc (SEKEB). The results affirm that idealized influence is a crucial factor in enhancing the performance of county governments in SEKEB. However, the role of innovation, in this case, does not significantly impact the relationship between idealized influence and performance. Thus, while idealized influence should be a focal point for leadership strategies aimed at improving organizational performance, further research might be needed to explore other

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potential moderators or contextual factors that could enhance the effectiveness of transformational leadership.

Based on the study's findings, the following recommendations are made: Given the significant positive impact of idealized influence on organizational performance, leaders in the county governments of SEKEB should prioritize demonstrating strong idealized influence. This involves acting as role models, upholding high ethical standards, and inspiring and motivating employees to align with the organizational vision and goals. Training programs and leadership development initiatives should emphasize these aspects to enhance overall performance.

Although innovation did not significantly impact the results in this study, it remains an important aspect of organizational growth. County governments should continue to foster innovative practices but should also monitor and evaluate their impact more closely to ensure alignment with overall performance objectives. Adjustments or new approaches to innovation may be necessary to better support leadership effectiveness and organizational outcomes. These recommendations aim to enhance the performance of county governments by leveraging effective leadership practices and continuously refining strategies related to innovation and organizational development.

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