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Effect of Idealized Influence and Inspirational Motivation on Staff Performance in State Owned Enterprises in Kenya

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Abstract

The aim of this study was to examine the influence of Idealized Influence and Inspirational Motivation on performance of staff in State Owned Enterprises in Kenya. The study intended to answer the following research questions: does idealized influence affect performance of staff in SOEs in Kenya? and does inspirational motivation affect performance of staff in SOEs in Kenya? Positivism research philosophy and descriptive research design were used in this study. Stratified random sampling technique was used to select a sample of 163 senior managers from the target population of 275 senior managers. A structured questionnaire was used to collect data from the selected members of top management team in SOEs. The study used factor analysis to reduce data, correlation analysis to establish the relationship between staff performance and transformational leadership, chi square test, Analysis of Variance (ANOVA) and multiple linear regression model to test the hypotheses. The study found that idealized influence was positively and significantly correlated with staff performance, $r(138) = .64$, $p < .00$. Multiple linear regression revealed that idealized influence significantly predicted staff performance, $\beta = .78$, $t(145) = 2.99$, $p < .004$. Inspirational motivation was positively and significantly related with staff performance, $r(140) = .73$, $p < .00$ and significantly predicted staff performance, $\beta = 1.1$, $t(145) = 4.54$, $p < .00$. The study concluded that Idealized Influence and Inspirational Motivation positively and significantly increased performance of staff in SOEs in Kenya. The study recommended that top management teams in SOEs should work towards encouraging delegation of tasks, career mentoring and coaching, and creation of new learning opportunities alongside a supportive climate for their employees.
Keywords: Idealized Influence, Inspirational Motivation, Staff Performance, State Owned Enterprises

1. Introduction

Leadership is a very important factor in an organization because it determines most of its success and failure. Drucker (2007) argued that any company's success is due to employee job satisfaction and employee affective commitment. To increase the organizational performance a leader must have the ability to promote creativity and innovation, stimulate the employees to challenge their own value systems and improve their individual performance (Trmal, Bustamam & Mohamed, 2015).

According to Okibo and Shikanda (2011) the relevant leadership behaviour is crucial to improve awareness creation in organizations. Therefore, the employees' behaviour paths are mostly shaped by the way leaders give support to organizational members and provide a clear direction in regard to guidelines. They further elaborated that a transformational leader has to watch out for prospective needs in admirers, and satisfies higher motives, whilst connecting with the full attributes of the adorers.

Akeel and Indra (2013) noted that transformational leadership plays a critical role in improving staff performance in Libya there by corroborating Yukl (2006) assertion that application of transformational leadership style improves performance. Edoka (2012) emphasized the need for African countries to adopt transformational leadership since it is important in improving performance of the employees. Oluseyi and Ayo (2009) noted that effective leadership was crucial in African organizations.

Most of the state owned enterprises in Kenya have failed to achieve their obligations and their performance represents a mixed bag of notable successes, failures and missed opportunities (GoK, 2013). However, there is limited literature from previous studies that have focused on the effect of Idealized Influence and Inspirational Motivation on staff performance among the state owned enterprises. Therefore, the question that requires an answer is; does Idealized Influence and Inspirational Motivation influence performance of staff in commercial and strategic SOEs in Kenya? Therefore this study focused on establishing the effect of Idealized Influence and Inspirational Motivation on performance of staff in commercial and strategic SOEs in Kenya.

The null hypotheses of this study were:
1. Idealized influence does not significantly affect performance of staff in commercial and strategic SOEs in Kenya.
2. Inspirational motivation does not significantly affect performance of staff in commercial and strategic SOEs in Kenya.

2. Literature Review

The study was grounded on the theory of transformational leadership that was developed by (Bass, 1985) who classified transformational leaders into "Four I's" namely; idealized influence, inspirational motivation,

intellectual stimulation and individualized consideration.

2.1 Theory of Transformational Leadership
Based on work by Burns (1978), transformational leadership is defined as a constellation of three behaviours including the ability of leaders to inspire employees (known as charismatic leadership), work with employees individually to meet their idiosyncratic needs (known as individualized consideration) (Bass, 1985), and encourage creative and effortful problem solving (known as intellectual stimulation) (Seltzer & Bass, 1990).

2.1.1 Idealized Influence
In this element of transformational leadership, the leaders behave in ways that lead to them being role models for their followers. The leader therefore turns out to be admired, respected, and trusted by the followers who in turn want to emulate the leader. The followers also acknowledge extraordinary capabilities, persistence, and determination in their leader and the leader is evidently willing to take risks to achieve organizational or personal goals but adopts an ethical and moral conduct while doing that (Gomes, 2014).

Idealized influence can be explained within the organization in the context of knowledge creation. The term idealized influence means simply being influential over ideals. At the highest level of morality, leaders and their employees may dedicate themselves to the best ideals. By far the most effective trait-driven leadership style is charismatic (Ojokuku, Odetayo & Sajuyigbe, 2012).

Knowledge systems emanate from individuals with the capability to display knowledge using their association. These interactions between individuals bring in social relationships when the organization deals with a bigger social collective network which needs idealized influence also (Simola et al., 2012). Leaders set the platform for success by nurturing the right company conditions. For focused performance information use, fostering objective transparency and a developmental culture are the right settings (Moynihan et al., 2011).

2.1.2 Inspirational Motivation
Inspirational motivation arises from the use of both effective and communicative styles of influence. This behaviour articulates the importance of leaders communicating high expectations to employees, inspiring and motivating them by providing meaning and challenge to the employees so that they can develop a shared vision in organizations (Bass & Avolio, 1994). Inspirational managers align individual and organizational objectives, thus making the achievement of organizational objectives an attractive means of achieving personal objectives.

Inspirational motivation makes use of behaviour to motivate and inspire employees by offering a shared meaning and a challenge to the followers (McCleskey, 2014). The leader offers meaning and challenge that motivates and inspires the work of the employees. In this regard, the leader promotes team spirit, enthusiasm, and optimism in their followers by involving them in a positive vision of the future and by communicating high expectations that followers want to achieve (Gomes, 2014).

The alignment of individual needs with the needs of an organization is a fundamental strategy of inspirational motivation. Transformational leaders attempt to nurture the spirit of teamwork and commitment by clarifying the vision, mission and strategic goals of the organization and creating a strong sense of determination among the employees (Renjith et al., 2015). Inspirational motivation translates to confidently and positively communicating the vision, showing energy and enthusiasm in order to create an appealing and convincing vision (Popa, 2012).

Transformational leaders should, therefore, behave in such a way, which motivates and inspires employees (Sundi, 2013). Such behaviour includes implicitly showing enthusiasm and optimism of employees, stimulating team work, pointing out positive results, advantages, emphasizing aims, stimulating employees.

2.2 Conceptual Framework
The conceptual framework was derived from theoretical model of transformational leadership. Idealized influence and Inspirational Motivation were hypothesized to directly affect staff performance.

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Independent Variables   **Dependent Variable**

Figure 1: Conceptual Framework

2.4 Empirical Review

Hayati et al. (2014) carried out a study to determine the effects of transformational leadership and its components on work engagement among hospital nurses. A descriptive, correlational, cross-sectional design was used in the study where 240 nurses were chosen by stratified random sampling method to fill related self-reported scales including multifactor leadership questionnaire (MLQ) and work engagement scale. Data was analysed according to the statistical method of simple and multiple correlation coefficients. Results showed that there is a positive and significant effect of transformational leadership on work engagement and its aspects. Idealized influence among the leaders was found to result in forming a particular belief among members of staff toward those leaders and hence leaders can easily transmit their inspirational motivation to them. As a result, idealized influence sets high standards and creates a positive vision which challenges the employees and establishes enthusiasm together with optimism for attaining success in work. The study recommends that leaders and managers should be helped in developing what is exists about leadership and relate this to the ideal qualities that develop leadership behaviour that is effective and active (Hayati et al., 2014).

Ndisya and Juma (2016) examined the application of components of transformational leadership at Safaricom. The authors used structured questionnaire and proportionate stratified sampling was used to collect data from a sample size of 109 respondents. The study found a positive relationship between inspirational motivation and staff performance. Respondents on average mostly agreed with the presence of motivation to accomplish organizational goals and objectives, support for team building, leader's demonstration of the tasks employees should do, and assisting employees find meaning in their work. This means that the changes in the inspirational motivation had significant changes in employee performance such that when inspirational motivation increases, there would be a similar increase in employee performance. The study recommended that there is need on the organizational leadership to improve on its employees' response to improve service to the company. Also, there should be further research on the effect of transformational leadership on financial performance on other communication service providers, government and private sector.

Rajhans (2012) investigated the link between communication and motivation and its overall impact on the staff performance using an empirical review. The results showed that organisational communication plays an important role in employee motivation and performance of staff. The study recommended that there has to be upward and downward communication in an organization so that creative suggestions from the staff are used to assist management in decision making and improvement of the company.

3. Methodology

3.1 Research Philosophy

This study used positivism research philosophy. Under positivism research philosophy this study was able to test the research hypotheses because the study was able to investigate what truly happened in the organizations through scientific measurement of people and system behaviours (Hatch & Cunliffe, 2006). To test these hypotheses, the study translated the underlying concepts, idealized influence and inspirational motivation, and staff performance into measurable forms (Galliers, 1991). Additionally, under positivism research philosophy the study would be able to generalize its research findings (Alavi & Carlson, 1992).

3.2 Research Design

The research designed utilized in this study was descriptive correlation research design. This study is whereby

information is collected without making any changes to the subject of the study thus the researcher cannot directly interact with the environment in which he or she is studying in a manner that would cause any changes associated with the experiment (Tupou, 2013). Descriptive correlation research design was used to establish the magnitude, direction and significance of idealized influence and inspirational motivation on staff performance of SOEs in Kenya. This research design was used to test the study hypotheses.

3.3 Population
The total number of top level managers in the 55 SOEs was 529 but the study targeted 275, that is, five (5) senior managers from each of the 55 SOEs.

Table 1: Population

Type of SOE	Number of SOEs	Number of TMT
Commercial	34	340
Strategic	21	189
Total	**55**	**529**

3.4 Sampling Design
This study utilized stratified random sampling technique. Based on stratified random sampling, the study divided the population into two groups or strata. The stratification was based on the functions of SOEs namely; commercial and strategic function. Stratified sampling technique enabled the study avoid the sampling bias. (Singleton & Straits, 2010)

Based on Yamane (1967) formula, the study calculated the sample size of 163 top managers. The precision error used in the formula was 0.05.

$$n = N/\{1 + N(e^2)\} \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots (3.1)$$

Where: n denotes the sample size, N denotes the target population (275), e denotes the margin of error (0.05). Applying values into formula specified in equation 3.1 the sample size was:

$$n = 275/\{1 + 275(0.05^2)\} \cong 163 \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots \dots .3.2$$

Given the sample size of 163 and based on stratified sampling technique, the study selected 101 top managers from commercial SOEs and 62 from SOEs with strategic function.

3.5 Data Collection Methods
A structured questionnaire was used. This type of questionnaire is simple to administer and relatively inexpensive to analyze as opposed to unstructured questionnaire. Additionally, questionnaires are unbiased since responses are in respondents' own words and respondents have enough time to offer proper responses (Singleton & Straits., 2010). To come up with questionnaire items, the study modified the Multifactor Leadership Questionnaire (MLQ).

3.6 Research Procedures
The study used stratified random sampling to select top managers whose responses were used to test for reliability and validity of the questionnaire (Saunders et al., 2014). These managers were selected from commercial and strategic SOEs in Kenya. After selecting 16 top managers of SOEs, the main researcher administered the questionnaires with the aim of collecting their responses. Once the questionnaires were filled, they were coded and entered data into a computer package where data validation was conducted.

The study found that idealized influence had Cronbach's alpha of 0.723, while inspirational motivation had Cronbach's alpha of 0.711. Content, criterion and construct validity of the research instrument were tested by requesting professors and experts in the area of transformational leadership and performance to give their comments regarding the content, construct and criterion validity of the questionnaire.

Structured questionnaires were used to collect primary data from 163 top managers of commercial and strategic SOEs in Kenya. Five research assistants were recruited to assist with administration of the research instrument. The questionnaires were given a unique identifier that was used during coding and data entry.

3.7 Data Analysis
Descriptive analysis was conducted with the aim of describing various patterns of the key variables. The descriptive statistics used in this study include; mean, standard deviation and frequency distribution. Descriptive analysis is a preliminary for any quantitative analysis (Trochim, 2006).

The inferential analysis used in this study comprised of factor analysis, correlation analysis and multiple linear regression model.

The study specified multiple linear regression model that did not include the moderator as shown in equation 3.3.

$$SP_i = \beta_0 + \beta_1 II_i + \beta_2 IM_i + \varepsilon_i \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3.3)$$

Where; SP denotes staff performance, II denotes idealized influence, and IM denotes inspirational motivation. $\beta's$ are the parameters to be estimated, ε are the error term and i denotes the managers.

4. Results and Findings

4.1 Demographic Information

The study found that 36% of the respondents had worked in the current organizations for a period of 6 to 10 years. Only 4% of the respondents had worked over 20 years in the current organization. Additionally, 54% of the respondents were male and 46% of the respondents were female.
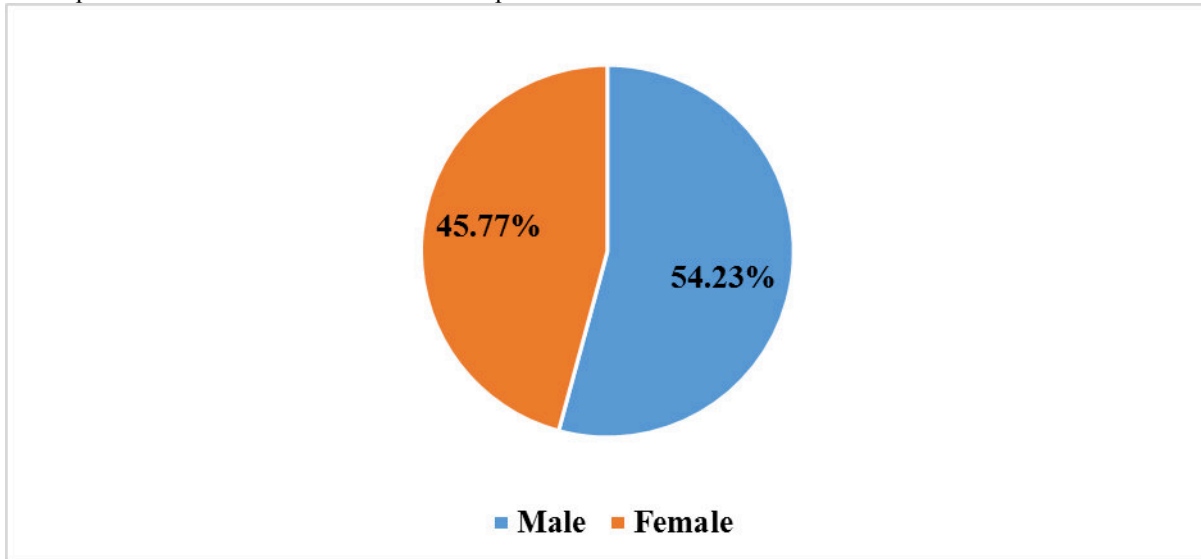

Figure 2: Gender of respondents

4.2 Effect of Idealized Influence on Staff Performance

The study correlated idealized influence and staff performance and found that all the items of idealized influence were positively and significantly related with staff performance. This study conducted correlation analysis between idealized influence index and staff performance and found that the two variables were strongly correlated r(138) = .64, p < .00. Table 3 shows this.

Table.2: Correlation between idealized influence index and staff performance

		Idealized Influence
Staff Performance	Pearson Correlation	0.641
	Sig. (2-tailed)	0.000
	N	138

Chi square test was used to test the strength of association between two variables. The study conducted chi square to test the association between idealized influence and staff performance and the study found a strong association between idealized influence and staff performance, x2(16, N=147) = 101.2, p = .00. The study further conducted one way ANOVA to test the mean difference between commercial and strategic SOEs. The study found that there was no significant difference in means of all items of idealized influence and the type of SOEs.

Based on multiple linear regression model, the study sought to establish the effect of idealized influence on staff performance. The following hypothesis was therefore tested:

H0: Idealized influence does not affect performance of staff in Kenya SOEs

H1: Idealized influence affects performance of staff in Kenya SOEs

The study found that idealized influence explained a significant proportion of variance in staff performance, R2 = .80, F(1, 145) = 43.4, p<0.01. The results are presented in table 4.

Table 3: Model summary for idealized influence

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.870	0.758	0.745	1.71303	
2	0.893	0.798	0.777	1.59956	1.847

The study found that idealized influence significantly predicted staff performance, $\beta = .78$, t (145) = 2.99, p< .004. This finding implied rejection of the null hypothesis. The results are presented in table 5.

Table 5: Regression Results for idealized influence

Model	Variable	Coefficient	Standard Error	t	Significance
1	Constant	0.169	0.173	0.979	0.330
	Idealized Influence	0.705	0.232	3.043	0.003

4.3 Effect of Inspirational Motivation on Staff Performance

The study found that all the items of inspirational motivation were positively and significantly related with staff performance. The results for correlation analysis between inspirational motivation index and staff performance indicated that the two variables were strongly correlated r(140) = .73, p < .00. The results are presented in table 6.

Table 6: Correlation between inspirational motivation index and staff performance

		Inspirational Motivation
Staff Performance	Pearson Correlation	0.732
	Sig. (2-tailed)	0.000
	N	140

Chi square test was used to test the strength of association between two variables. The results for chi square test showed that there was a strong association between inspirational motivation and staff performance, $x2(16, N=146) = 90.9$, p = .00. The study found that there was no significant difference in means of all items of inspirational motivation and the type of SOEs (commercial and strategic SOEs).

The study sought to establish the effect of inspirational motivation on staff performance and tested the following hypothesis.

H0: Inspirational motivation does not affect performance of staff in Kenya SOEs

H1: Inspirational motivation affects performance of staff in Kenya SOEs

The study found that inspirational motivation explained a significant proportion of variance in staff performance, $R2 = .80$, F(1, 145) = 43.4, p<0.01. The results are presented in table 7.

Table 4: Model Summary for inspirational motivation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.870	0.758	0.745	1.71303	
2	0.893	0.798	0.777	1.59956	1.847

The study found that inspirational motivation significantly predicted staff performance, $\beta = 1.1$, t (145) = 4.54, p< .00. This finding implied rejection of the null hypothesis. The results are presented in table 8.

Table 5: Regression Results for inspirational motivation

Model	Variable	Coefficient	Standard Error	t	Significance
1	Constant	0.169	0.173	0.979	0.330
	Inspirational motivation	1.134	0.252	4.498	0.000

5. Discussion, Conclusions and Recommendations

5.1 Discussion

The study found that idealized influence had a positive and significant effect on performance of staff in Kenya SOEs. This results supported Nguyen and Nguyen (2014) findings who found that transformational leadership influences individual job performance. However, the findings contradicted Datche (2015) who found that idealized influence negatively affected employee engagement and performance.

The study found that inspirational motivation had a positive and significant effect on staff performance. This finding corroborated Juma and Ndisya's (2016) that the changes in the inspirational motivation had significant changes in employee performance in Safaricom Limited. The study findings contradicted Brown and Arendt (2011) who found that inspirational motivation had no significant effect on performance of staff in Midwest of Lowa State University.

5.2 Conclusions

The study concluded that idealized influence and inspirational motivation both had a positive and significant effect on staff performance of commercial and strategic state owned enterprises.

5.3 Recommendations

The study recommended that senior managers should promote a broad, inclusive vision, show strong commitment to goals, and create trust and confidence in employees in order to increase staff performance.

Managers should also continuously inspire their employees in order to enhance their outcomes and enable them achieve organizational goals by challenging them to leave their comfort zones.

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