



## **Transformational Leadership Style and Staff Performance of Commercial Banks in Kenya: A Survey of Commercial Banks in Nairobi City County**

**Dorothy Atieno Andeché Omamo & Dr. Emanuel  
Awuor**

**ISSN: 2616-8421**

# **Transformational Leadership Style and Staff Performance of Commercial Banks in Kenya: A Survey of Commercial Banks in Nairobi City County**

<sup>1\*</sup>Dorothy Atieno Andechi Omamo & <sup>2</sup>Dr. Emanuel Awuor

<sup>1</sup>Post graduate student, School of Management and Leadership  
The Management University of Africa

<sup>2</sup>Senior Lecturer and Academic Leader, MML Programme, School of Management and Leadership  
The Management University of Africa

\*Corresponding email: [dorothy@abm.co.ke](mailto:dorothy@abm.co.ke)

***How to cite this article:*** Omamo, D. A. A., & Awuor, E., (2018). Transformational Leadership Style and Staff Performance of Commercial Banks in Kenya: A Survey of Commercial Banks in Nairobi City County, *Journal of Human Resource Management & Leadership*, Vol. 2(3), 45-60.

## **Abstract**

The staff performance of commercial banks has been deteriorating overtime as per the findings of survey done by PWC (2013) that established that 97% of Kenya business leaders agree that their firms needed to retain talent by adopting good leadership styles. Leaders influence employee's job satisfaction which eventually affects employee job performance and ultimately overall organizational performance. The study determined the influence of transformational leadership style on employee performance: A case study of commercial banks in Nairobi County. The specific objectives of the study were, to establish the effect of idealized influence, inspirational motivation, intellectual stimulation and individualized consideration on the staff performance of commercial banks in Nairobi County. The target population for this study was 5000 employees in commercial banks within Nairobi County. Random sampling was used to select 196 employees from seven commercial banks sampled purposively. Primary data were collected using a questionnaire. The study found out that idealized influence has a positive and significant effect on staff performance ( $\beta=0.125$ ,  $p=0.017$ ), inspired motivation has a positive and significant effect on staff performance ( $\beta=0.130$ ,  $p=0.004$ ), intellectual stimulation had a positive and significant effect on staff performance ( $\beta=0.201$ ,  $p=0.021$ ). Similarly, results

showed that individualized consideration had a positive and significant effect on staff performance positively and significantly related ( $\beta = 0.124$ ,  $p = 0.000$ ). The study advocates for the recognition of individual efforts, giving personal compliments for doing outstanding work, provides rewards such as praise and acknowledgement of effort for achievement of specified goals, encourage personal attention to employees who look neglected and lonely, encourages individual risk-taking, innovation, freedom and uniqueness at work and give individualized bonuses and commissions for good performance attained. The findings from this study have implication to the theory, academia, policy formulation and industry practice. The study is significant to the banking industry sector and the service industry. The study brings out the main areas of concern in the performance of staff in service industries. It gives suggestions on how transformational leadership can be fully applied to enable the service sector to achieve its goals and objective.

**Keywords:** *Idealized Influence, Inspirational Motivation, Intellectual Stimulation, Individualized Consideration, Staff Performance, Commercial Banks, Nairobi County*

## 1.0 Introduction

The idea of transformational leadership was at first presented by style master and presidential biographer James Macgregor (Burns, 1985). As indicated by Burns, transformational leadership can be seen when leaders and adherents make each other to progress to a more elevated amount of good and inspiration. Through the quality of their vision and identity, transformational leadership can move adherents to change desires, discernments, and inspirations to work towards shared objectives. Afterward, scientist Bernard M. Bass developed Burns' unique thoughts to create what is today alluded to as Bass' Transformational Leadership Theory. As per Bass, transformational leadership can be characterized in view of the effect that it has on supporter (Yulk, 2006). Through transformational leadership, a person earns trust, regard, and appreciation from their supporters.

Transformational style contains practices that are accepted to animate high inspiration in supporters which drives them to an uncommon execution, and rising above self-intrigue (Bass and Avolio, 2005). A transformational leader impacts the adherents to rise above their self-interests for the benefit of the gathering or association by raising their consciousness of the significance and estimation of gathering results (Bass Avolio, 2005). This kind of authority is about building a brought together regular enthusiasm amongst leaders and adherents. Transformational leaders influence devotees into doing what he needs them to do. In this manner such leaders can make critical change in both supporters and the association with which they are related (Bass, 2006). Transformational leadership consists of four factors idealized influence attributed, idealized influence behaviour, inspirational motivation, intellectual stimulation, and individualized consideration (Darshan, 2011; Gao, Shanshan & Kan, 2011 & Aunjum, Abbas & Sajid, 2017).

Avery (2004) observes that the quality of leadership directly and greatly influences staff performance and hence organization's performance leading to increasing interest in various leadership models such as transactional, transformational, servant and situational. Yulk (2006) posits that there is a fundamental and definitional link between leadership and performance as it

involves communicating to people their worth and potential. Day (2000) states that leadership enables organizations to achieve specific goals through team building by creating, and maintaining a sense of vision, culture and interpersonal relationships. The core functions of leadership include valuing, visioning, coaching, empowering, team building, promoting quality and listening to the grievances raised by the team members (Mahfooz, 2009).

The commercial banking industry in Kenya is the fourth biggest behind South Africa, Nigeria, and Mauritius. As indicated by the Central Bank of Kenya 2015 Banking supervision report, the Kenya saving money segment incorporates 43 business banks, including 12 remote banks. Cross-fringe linkages are an essential element; seven Kenyan banks have built up 14 backups in neighboring nations. The human resource management and subsequent performance of commercial banking industry in Kenya require sober leadership. It is thus worth studying the influence of transformational leadership style on employee performance of commercial banks in Kenya.

## **1.2 Statement of the Problem**

The staff performance of commercial banks has been deteriorating overtime as per the findings of survey done by PWC (2013) that established that 97% of Kenya business leaders agree that their firms needed to retain talent by adopting good leadership styles. Leaders influence employee's job satisfaction which eventually affects employee job performance and ultimately overall organizational performance (Munir, Rahman, Ariff, Malik, & Ma'amor, 2012). Three banks that include Dubai Bank, Chase Bank and Imperial Bank have been placed under receivership by the regulator central bank of Kenya. While as many factors may have contributed, this study sought to highlight the significance of transformational leadership style in performance of employees that would have otherwise minimize this trend. The performance of satisfied employees is linked to helping organizations achieving their goals. Leaders influence employee's job satisfaction which eventually affects employee job performance and ultimately overall organizational performance. Leaders who build up a positive association with workers take in their representatives' qualities and shortcomings, making it less demanding for them to utilize their representatives' abilities for the benefit of the association.

## **1.3 Objectives of the Study**

- i. To establish the effect of idealized influence on the staff performance of commercial banks in Nairobi County
- ii. To determine the effect of inspirational motivation on the staff performance of commercial banks in Nairobi County
- iii. To establish the effect of intellectual stimulation on the staff performance of commercial banks in Nairobi County
- iv. To investigate the effect of individualized consideration on the staff performance of commercial banks in Nairobi County

## **2.0 Literature Review**

### **2.1 Theoretical Literature Review**

The study was guided by Theory of Transformational Leadership. Hou (2001) characterized change as a connecting of leadership technique and mental angles which can lead a general hierarchical change. Bass (1985) contended that leaders can make their adherents to comprehend the qualities and the significance of their work, and can persuade the leadership objectives bridge their own advantages. Besides, leaders can lead a more elevated amount of mental needs to supporters and inspires their responsibilities regarding the association consequently (Jiang, 2002).

Bass (2007) recommended that there are three elements that decide the behavioral parts of transformational administration: allure/motivation, scholarly incitement, and individualized thought. Consumes (1978) planned the first hypothesis of transformational authority. He characterized transformational administration as a procedure in which "leaders and supporters raise each other to larger amounts of profound quality and inspiration". Transformational leader develops the necessities of adherents in a supporter focused way and is responsible to the devotee. To start with, Burns (2009) fought that adherents are driven by an ethical need, the need to champion a cause, or the need to take a higher good position on an issue. Also, transformational leaders enable adherents to bode well out of irregularity and strife is essential in making choices and to roll out improvement conceivable. The procedure of change is established on sympathy, comprehension, understanding, and thought; not control, control using, or pressure.

As indicated by Bass (2006) this characteristic incorporate admired impact that depends on the behavioral qualities of a leader. Bass and Avolio (2009) contend that this conduct of a leader will advance his supporters' dedication with a specific end goal to tap their maximum capacity. Persuasive inspiration property of leaders is the capacity of a leader to pick up supporter's certainty through correspondence of his desires, vision and qualities. Another characteristics is the scholarly incitement which alludes to the capacity of a leader to invigorate his adherents to be more inquisitive and innovative in considering and critical thinking. As indicated by Bass (2006) and Bass and Avolio (2009) scholarly incitement is making an empowering domain for advancement, innovativeness and constant learning. Ultimately, individualized thought where the leader goes about as a tutor or mentor by offering help for the individual needs and improvement for representatives (Ejimofofor, 2007).

All in all, the transformational leader is portrayed as one who explains a dream without bounds that can be imparted to companions and subordinates, mentally invigorates subordinates, and gives careful consideration to singular contrasts among individuals (Tang, 2007). This is likewise bolstered by Herzberg's two component hypothesis by Herzberg et al., (1966). This hypothesis is applicable to this investigation in that it expounds more about transformational administration. Likewise, the hypothesis plots the impact of transformational authority on execution.



## **2.2 Empirical Literature**

### **2.2.1 Idealized Influence**

Idealized influence represents the ability of building confidence in the leader and appreciating the leader by the followers, which forms the basis for accepting radical change in the organization (Ogola, Sikalieh & Linge, 2017). Without such confidence in the leader, that is, in his motives and aims, an attempt to redirect the organization may cause great resistance. You can "lead" people if you make them ready to engage. You will have to become a leader who possesses idealized influence and who represents the roles model to his followers (Bass, 2006). The leaders with idealized influence are honored, appreciated, they are trusted, the followers admire them, and they identify with them and try to imitate them. Such leaders, which represent the model roles to their followers, do the right things, demonstrating high morale and ethical behaviour. They do not use their position and abilities to achieve personal interests, but they use the potentials of people to achieve the aims of organizations (Ogola, Sikalieh & Linge, 2017).

Idealized influence at its core represents the highest levels of moral reasoning and perspective-taking capacity. The subcontracts of idealized influence under this study include ethical policy, vision articulation and risk management policy. The key indicators of inspirational motivation are setting organizational vision, communicating this vision, challenging workers, giving continuous encouragement, and applying the principles of shared power (Sarros & Santora, 2001). The key indicators of intellectual stimulation are critical thinking, problem solving and creativity. Innovation and creativity is at the heart of intellectual stimulation. The central indicators of individualized consideration include developing followers through coaching, mentoring and teaching (Kirkbride, 2006).

Abeysekera (2011) considered the characteristic of Idealized influence on the conduct of a sales representative in the Banking segment in Sri Lanka. Two state banks and six private banks were chosen. From these eight banks, an arbitrary example of 170 corporate clients was chosen. It was discovered that Idealized influence conduct is higher in the private banks and the salespersons in private banks had higher occupation fulfillment.

### **2.2.2 Inspirational Motivation**

Inspirational motivation is the ability of transformational leadership to inspire and motivate people to adopt appropriate behaviour. In the conditions when transformational change is being conducted in an organization, the leader has the task of clearly and continuously stimulating others to follow a new idea (Mathew, & Gupta, 2015). Transformational leaders should, therefore, behave in such a way, which motivates and inspires people. Such behavior includes implicitly showing enthusiasm and optimism, stimulating team work, pointing out positive results, advantages, emphasizing aims and stimulating followers.

Özer and Tinaztepe (2014) looked to grill the key organizations as far as various leadership style and test the impact of them on execution. The examination was connected to a import export organization in Turkey. The sample comprised of white-collared individuals who are working in administrative and non-administrative employment positions in various workplaces of the organization. An aggregate of 215 complete responses were utilized for examinations. As far as

theory testing, the principal speculation of the examination was incompletely bolstered as just relationship-situated and transformational leadership style are fundamentally identified with firm execution. With regards to the second theory contrasted with other style transformational leadership strongly affected firm execution. At the point when the methods for authority style were thought of it as, was evident that in three nations most basic administration style is relationship-situated.

### **2.2.3 Intellectual Stimulation**

Intellectual stimulation has an important role in the transformation process of organizations. Transformational leaders stimulate permanent re-examination of the existent assumptions, stimulate change in the way of thinking about problems, and plead the use of analogy and metaphor. By constantly searching for new knowledge, transformational leaders constantly teach, illustrate, and also promote and get new and creative ideas for solving problems from all organizational members (Metwally, El-bishbishy, & Nawar, 2014).

Yang (2010) expected to add to the information of leadership style and entrepreneurial introduction at little and medium undertakings and additionally their impacts on business execution. This investigation looks at how leadership style would affect be able to the advancement and usage of entrepreneurial orientation in little and medium endeavors in Taiwan. It is likewise intended to look at the impacts of leadership style and entrepreneurial orientation on business execution. Huge conclusions from this investigation are that diverse administration style may influence business strategy; that transformational leadership is essentially more corresponded to the business strategy than is value-based style and uninvolved avoidant authority; that entrepreneurial introduction is decidedly identified with execution; and that transformational leadership with higher entrepreneurial orientation can add to higher business strategy.

### **2.2.4 Individualized Consideration**

Individualized consideration is the inclusion of people into the transformation process of an organization. These arises the need to diagnose their wishes, needs, values and abilities in the right way. This type of activity leads to higher levels of trust in the leader. So, besides a global picture, a transformational leader must know what motivates any of his team members individually. Human wishes and needs are different. Some want certainty, some want excitement and change; some prefer money, and some free time. The leader, who is aware of the difference needs and wishes of people, has an opportunity to use all those different demands in the right way (Sundi, 2013). By their behaviour, transformational leaders demonstrate acceptance of individual differences and assign the tasks in accordance with their personal affinities. Following the progress in performing the individual tasks, a leader gets a picture of regularity (or irregularity) of his own action of individualized consideration (Verma & Krishnan, 2013).

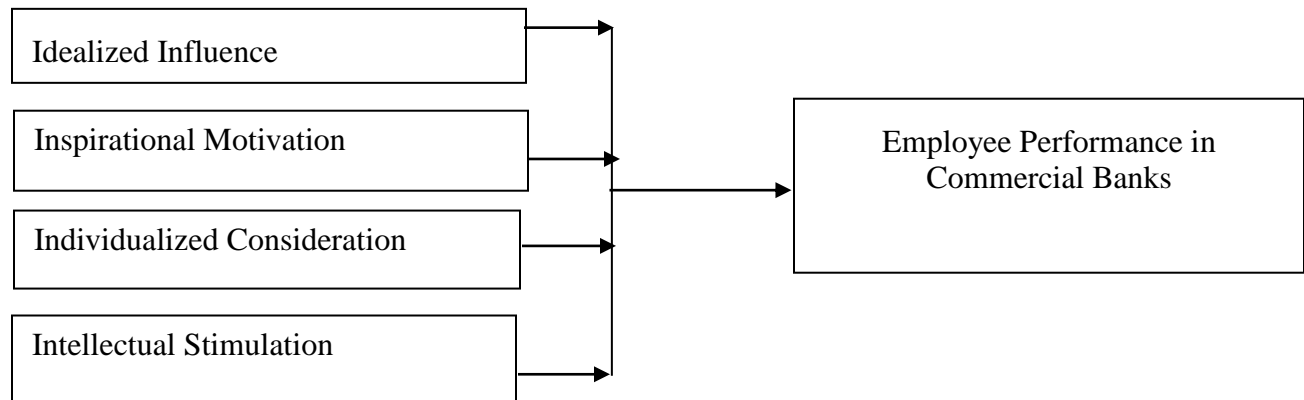
Long *et al.* (2014) examined the relationship between transformational leadership style and employee job satisfaction. An exact investigation was led in a Government Linked Company in Malaysia. 378 representatives from 6 unique offices were welcome to be the respondents of this examination. The quantity of finished overviews which were returned to the analyst was 255.

This speaks to an arrival rate of 67.46%. The discoveries demonstrate that just a single of the four transformational style qualities is found to have critical association with work fulfillment. Normal for individualized thought was observed to be contributed most in work fulfillment.

## 2.3 Conceptual Framework

### Independent Variables

### Dependent Variable



**Figure 1: Conceptual Framework**

## 3.0 Research Methodology

The study employed descriptive research design. The target population for this study was 5000 employees in commercial banks within Nairobi County. Fisher's formula was used to calculate a sample size of 196 employees. Random sampling was used to select 196 employees from seven commercial banks. A questionnaire with likert scale questions was used to collect data. During data analysis, the study generated both descriptive and inferential statistics. A multivariate regression model was used to depict the relationship between transformational leadership style and staff performance of commercial banks.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Employee Performance

X1 = Idealized Influence

X2 = Inspirational Motivation

X3 = Intellectual Stimulation

X4 = Individualized Consideration

{ $\beta_i$ ;  $i=1,2,3,4,5$ } = The coefficients for the various independent variables

$\varepsilon$  is the error term which is assumed to be normally distributed with mean zero and constant variance.



## 4.0 Analysis, Results and Discussions

### 4.1 Descriptive Statistics

This section presents the descriptive results on statements on idealized influence, inspirational motivation, intellectual stimulation and individualized consideration on the staff performance of commercial banks in Nairobi County. Descriptive statistics were obtained through running the statements of each objective using descriptive custom table and presenting in percentages. The mean and the standard deviations were obtained through running the descriptive statistics. The highest of the mean was 5 while the lowest was 1. Therefore, a mean of 1=Strongly Disagree, 2-Disagree, 3- moderately agree, 4-Agree and 5-Strongly Agree.

#### 4.3.1 Idealized Influence

In this study, idealized influence was measured by five questions focusing on ethical policy, and vision articulation. The respondents were asked their opinion regarding idealized influence and staff performance of commercial banks in Nairobi County. Specifically, they were asked to rate on a scale of 1=Strongly Disagree, 2-Disagree, 3- moderately agree, 4-Agree and 5-Strongly Agree. The analysis is presented on Table 1.

**Table 1: Idealized Influence**

Statements	Strongly Disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
My bank has a clearly articulated vision.	9.9%	9.3%	8.7%	32.3%	39.8%	3.83	1.32
Leaders in my bank have high ethical and moral conduct.	13.0%	7.5%	19.9%	28.6%	31.1%	3.57	1.35
There exists a clear vision and a sense of mission in my bank	19.3%	16.1%	13.7%	26.1%	24.8%	3.21	1.47
Leaders in our enterprise go beyond self-interest for the good of the staff.	16.1%	18.0%	18.6%	19.9%	27.3%	3.24	1.44
Jobs in our enterprise are clearly described.	5.6%	11.8%	7.5%	36.0%	39.1%	3.91	1.20
<b>Average</b>						<b>3.65</b>	<b>1.35</b>

According to results in Table 1, majority of the respondents who represented 39.8% of the respondents strongly agreed that their bank had clear articulated vision, 32.3% agreed, 9.9% strongly disagreed, 9.3% disagreed while 8.7% moderately agreed. In general, 72.1% agreed that their bank had clear articulated vision, 59.7% agreed that leaders in their bank had high ethical and moral conduct, 50.9% of the respondents agreed that there existed a clear vision and a sense of mission in my bank, 67.2% of the respondents agreed that leaders in their enterprise went beyond self-interest for the good of the staff., while 75.1% of the respondents agreed that jobs in their enterprise were clearly described.

On a five-point scale, the average mean of the responses was 3.65 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown

by a standard deviation of 1.35. The highest of the mean was 5 while the lowest was 1. Therefore, average mean of the responses was 3.65 mean that majority of the respondents agreed with most of the statements.

#### 4.3.2 Inspirational Motivation

In this section, inspirational motivation was measured by six questions focusing on shared vision and values, optimistic and enthusiastic talk/speeches, rewarding loyalty and commitment. The respondents were asked their opinion regarding their influence on staff performance of commercial banks in Nairobi County. Specifically, they were asked to rate on a scale of 1=Strongly Disagree, 2=Disagree, 3- moderately agree, 4=Agree and 5=Strongly Agree. The analysis is presented on Table 2.

**Table 2: Inspirational Motivation**

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly agree	Mean	Std. Dev
There is shared vision between leaders and the employees in my bank.	13.0%	21.7%	9.3%	31.1%	24.8%	3.33	1.40
There exist high standards of performance in my bank.	7.5%	5.0%	5.6%	45.3%	36.6%	3.99	1.14
There exist inspiration appeals of faith and trust from the bank leadership	4.3%	6.2%	12.4%	44.1%	32.9%	3.95	1.05
There exists inspiration of loyalty and commitment to work from the leadership in my bank	7.5%	3.1%	9.3%	49.7%	30.4%	3.93	1.09
There exists a display of optimism and enthusiasm from the bank leadership.	8.1%	6.2%	10.6%	41.0%	34.2%	3.87	1.19
My bank leadership emphasis on collective team building.	3.1%	8.7%	9.9%	44.1%	34.2%	3.98	1.04
<b>Average</b>						<b>3.84</b>	<b>1.15</b>

According to results in Table 2, majority of the respondents who represented 55.9% agreed that there was a shared vision between leaders and the employees in my bank, 81.9% agreed that there existed high standards of performance in their bank, 77.0% of the respondents agreed that there exist inspiration appeals of faith and trust from the bank leadership, 80.1% agreed that there existed inspiration of loyalty and commitment to work from the leadership in their bank, 75.2 of the respondents agreed that there existed a display of optimism and enthusiasm from the bank leadership, while 78.3% of the respondents agreed that their bank leadership emphasized on collective team building.

On a five-point scale, the average mean of the responses was 3.84 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.15. The highest of the mean was 5 while the lowest was 1.

Therefore, average mean of the responses was 3.84 mean that majority of the respondents agreed with most of the statements.

### 4.3.3 Intellectual Stimulation

In this section, intellectual stimulation was measured by six questions focusing on critical thinking, problem solving and creativity. The respondents were asked to give their opinion regarding the influence on staff performance of commercial banks in Nairobi County. Specifically, they were asked to rate on a scale of 1=Strongly Disagree, 2=Disagree, 3-moderately agree, 4=Agree and 5=Strongly Agree. The analysis is presented on Table 3.

**Table 3: Intellectual Stimulation**

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly agree	Mean	Std. Dev
The bank leadership values my individual efforts.	3.7%	5.0%	11.2%	50.9%	29.2%	3.97	0.97
The bank leadership gives personal compliments for doing outstanding work.	13.0%	13.0%	9.9%	32.3%	31.7%	3.57	1.39
The bank leadership provides rewards such as praise and acknowledgement of effort for achievement of specified goals.	23.4%	13.3%	3.4%	35.3%	14.6%	3.94	1.38
The leadership encourages personal attention to employees who look neglected and lonely.	12.4%	16.1%	14.3%	35.4%	21.7%	3.38	1.32
The leadership encourages individual risk-taking, innovation, freedom and uniqueness at work.	5.5%	10.4%	23.6%	33.7%	26.8%	3.86	1.31
The leadership gives individualized bonuses and commissions.	10.6%	13.0%	23.6%	29.2%	23.6%	3.42	1.27
<b>Average</b>						<b>3.66</b>	<b>1.28</b>

According to results in Table 3, majority of the respondents who represented 80.1% agreed that the bank leadership valued their individual efforts, 64.0% agreed that the bank leadership give personal compliments for doing outstanding work, 59.9% of the respondents agreed that the bank leadership provided rewards such as praise and acknowledgement of effort for achievement of specified goals, 57.1% agreed that the leadership encouraged personal attention to employees who look neglected and lonely, 65.5% agreed that the leadership encouraged individual risk-taking, innovation, freedom and uniqueness at work while 52.8% of the respondents agreed that the leadership give individualized bonuses and commissions.

On a five-point scale, the average mean of the responses was 3.66 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.28. The highest of the mean was 5 while the lowest was 1.

Therefore, average mean of the responses was 3.84 mean that majority of the respondents agreed with most of the statements.

#### 4.3.4 Individualized Consideration

In this section, individualized consideration was measured by five questions focusing on coaching, mentoring and inspiring. The respondents were asked give their opinion regarding their influence on staff performance of commercial banks in Nairobi County. Specifically, they were asked to rate on a scale of 1=Strongly Disagree, 2-Disagree, 3- moderately agree, 4-Agree and 5-Strongly Agree. The analysis is presented on Table 4.

**Table 4: Individualized Consideration**

Statements	Strongly disagree	Disagree	Moderately Agree	Agree	Strongly agree	Mean	Std. Dev
The bank leadership encourages the employees to rethink some of the basic assumptions about their work.	6.2%	6.2%	4.3%	43.5%	39.8%	4.04	1.12
The bank leadership stimulates thinking of employees to enhance generation of solutions to problems.	2.5%	7.5%	7.5%	42.9%	39.8%	4.10	1.00
The bank acknowledges improved quality of solutions generated by employees.	3.1%	4.3%	8.7%	40.4%	43.5%	4.17	0.98
The bank leadership encourages employees to increase their conceptualization, comprehension, and analytical capability to problem-solving.	3.1%	5.0%	6.2%	52.2%	33.5%	4.08	0.94
The bank leadership encourages knowledge transfer between senior and junior employees	5.0%	6.2%	6.8%	39.8%	42.2%	4.08	1.09
<b>Average</b>						<b>4.09</b>	<b>1.02</b>

According to results in Table 4, majority of the respondents who represented 83.3% agreed that the bank leadership encourages the employees to rethink some of the basic assumptions about their work, 82.7% agreed that the bank leadership stimulates thinking of employees to enhance generation of solutions to problems, 83.9% of the respondents agreed that they acknowledged improved quality of solutions generated by employees, 85.7% agreed that the bank leadership encouraged employees to increase their conceptualization, comprehension, and analytical capability to problem-solving, while 82.0% of the respondents agreed that their bank leadership emphasized on collective team building.

On a five-point scale, the average mean of the responses was 4.08 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.02. The highest of the mean was 5 while the lowest was 1. Therefore, average mean of the responses was 3.84 mean that majority of the respondents agreed with most of the statements.

#### 4.3.5 Staff Performance

In this section, staff performance was measured by four questions focusing on increased productivity, quality assurance and employee effectiveness (capability). The respondents were asked give their opinion on staff performance of commercial banks in Nairobi County. Specifically, they were asked to rate on a scale of 1=Strongly Disagree, 2-Disagree, 3-moderately agree, 4-Agree and 5-Strongly Agree. The analysis is presented on Table 5.

**Table 5: Staff Performance**

Statements	Strongly Disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
Idealized influence affects staff performance of commercial banks.	9.3%	12.4%	17.4%	32.3%	28.6%	3.58	1.28
Inspired motivation affects staff performance of commercial banks.	3.7%	8.1%	10.6%	53.4%	24.2%	3.86	1.00
Intellectual stimulation affects staff performance of commercial banks.	9.3%	2.5%	9.3%	55.9%	23.0%	3.81	1.11
Individualized consideration affects staff performance of commercial banks.	5.0%	5.6%	11.8%	54.7%	23.0%	3.85	1.00
<b>Average</b>						<b>3.78</b>	<b>1.10</b>

According to results in Table 5, majority of the respondents who represented 60.9% agreed that idealized influence affects staff performance of commercial banks., 77.6% agreed that inspired motivation affects staff performance of commercial banks, 78.9% of the respondents agreed that intellectual stimulation affects staff performance of commercial banks, while 77.7% of the respondents agreed that individualized consideration affects staff performance of commercial banks.

On a five-point scale, the average mean of the responses was 3.78 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.10. The highest of the mean was 5 while the lowest was 1. Therefore, average mean of the responses was 3.84 mean that majority of the respondents agreed with most of the statements.



#### 4.4 Correlation Analysis

**Table 6: Correlation Matrix**

		Staff Performance	Idealized Influence	Inspired Motivation	Intellectual Stimulation	Individualized Consideration
Staff Performance	Pearson Correlation	1.000				
	Sig. (2-tailed)					
Idealized Influence	Pearson Correlation	0.634	1.000			
	Sig. (2-tailed)	0.009				
Inspired Motivation	Pearson Correlation	0.656	.488**	1.000		
	Sig. (2-tailed)	0.008	0.000			
Intellectual Stimulation	Pearson Correlation	0.626	0.071	.261**	1.000	
	Sig. (2-tailed)	0.026	0.373	0.001		
Individualized Consideration	Pearson Correlation	0.792**	.293**	0.078	-0.077	1.000
	Sig. (2-tailed)	0.000	0.000	0.328	0.330	

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

Results in table 6 present the results for the correlation analysis. The results revealed that idealized influence and staff performance are positively and significant related ( $r=0.634$ ,  $p=0.009$ ). The results further indicate that inspired motivation and staff performance are positively and staff performance ( $r=0.656$ ,  $p=0.008$ ). It was further established that intellectual stimulation and staff performance were positively and significantly related ( $r=0.626$ ,  $p=0.028$ ). Similarly, results showed that individualized consideration and staff performance were positively and significantly related ( $r=0.792$ ,  $p=0.000$ ).

#### 4.5 Inferential statistics

Regression analysis was performed by using the composites of the key variables. The data was input to the SPSS software. Results were then presented in Tables 7, 8 and 9.

**Table 7: Model Fitness for the Regression**

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.861	0.742	0.723	0.27745
Predictors: (Constant), Individualized Consideration, Intellectual Stimulation, Inspired Motivation, Idealized Influence			

The results presented in Table 7 present the fitness of model used in the regression model in explaining the study phenomena. Idealized influence, inspirational motivation, individualized consideration and intellectual stimulation were found to be satisfactory variables in explaining

staff performance. This was supported by coefficient of determination also known as the R square of 0.742. This means that idealized influence, inspirational motivation, individualized consideration and intellectual stimulation explain 74.2% of the variations in the dependent variable which is staff performance of commercial banks in Nairobi County. This results further means that the model applied to link the relationship of the variables was satisfactory.

**Table 8: Analysis of Variance**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	22.91	4	5.728	12.48	.000
Residual	71.594	156	0.459		
Total	94.504	160			

Dependent Variable: Staff Performance  
 Predictors: (Constant), Individualized Consideration, Intellectual Stimulation, Inspired Motivation, Idealized Influence

Table 8 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of staff performance of commercial banks in Nairobi County. This was supported by an F statistic of 12.48 and the reported  $p=0.000$  which was less than the conventional probability of 0.05 significance level.

Regression of coefficients results in Table 9 shows that idealized influence has a positively and significant effect on staff performance ( $\beta=0.125$ ,  $p=0.017$ ). The Table further indicated that inspired motivation has a positively and significantly effect on staff performance ( $\beta=0.130$ ,  $p=0.004$ ). It was further established that intellectual stimulation had a positively and significantly effect on staff performance ( $\beta =0.201$ ,  $p=0.021$ ). Similarly, results showed that individualized consideration had a positive and significant effect on staff performance positively and significantly related ( $\beta =0.124$ ,  $p=0.000$ ).

**Table 9: Regression of Coefficients**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.821	0.524		3.475	0.001
Idealized Influence	0.125	0.083	0.025	2.304	0.017
Inspired Motivation	0.130	0.088	0.028	4.340	0.004
Intellectual Stimulation	0.201	0.102	0.007	2.099	0.021
Individualized Consideration	0.534	0.079	0.497	6.778	0.000

Dependent Variable: Staff Performance

Thus, the optimal model of the study is;

$$Y = 1.821 + 0.534X_1 + 0.201X_2 + 0.1308X_3 + 0.125X_4$$

Where

Y= Staff Performance

X<sub>1</sub>= Individualized Consideration

X<sub>2</sub>= Intellectual Stimulation

X<sub>3</sub>= Inspired Motivation

X<sub>4</sub>= Idealized Influence

## 5.0 Conclusions

Based on the findings above the study concluded that idealized influence, inspirational motivation, intellectual stimulation and individualized consideration positively influence staff performance of commercial banks in Nairobi County. The study concludes that idealized influence is an essential foundation for staff performance of commercial banks. It is important to consider the visionary instruments that the leader utilizes, as opposed to a perhaps irrelevant hypothetical definition. The study concludes that idealized influence increases the efficiency, effectiveness, self-reliance, coverage and sustainability of staff.

The study concludes that inspirational motivation is one of the imperative components that propel workers for contributing their best push to create advancement thoughts that prompt better business usefulness and further extemporize organization execution both financially and non-monetarily. It is a set that individuals don't consequently come to work, keep on working, or buckle down for an organization, they require inspiration to share and satisfy the association's vision. The study concluded that intellectual stimulation are instruments that assistance organizations in critical thinking and problem solving. Critical thinking helps the clients to take care of the issues that they confront every day in the working environment. A scope of problem solving tools make it suitable for diverse settings in which issues introduce themselves. Lastly, the study concludes that leaders who utilize this style of authority give due thought for their worker needs and mentor staff to bring maintainable advancement. A leader who gives individual thoughtfulness regarding subordinates, mirror the conduct of regarding every worker as an individual and start an enthusiasm for the long haul advancement of every representative.

## 6.0 Recommendations

The study recommends to organization to incorporate center esteems, genuineness, trust, regard and reasonableness into its strategies, practices, and basic leadership, recognizing and actualizing guidelines of lead that will guarantee that staff felt acknowledged. The banks should have clearly articulated vision, high ethical and moral conduct, a clear vision and a sense of mission in the bank.

Based on the findings and conclusions, the study recommends that there should be a shared vision between leaders and the employees in the bank, there exist inspiration appeals of faith and

trust from the bank leadership, inspiration of loyalty and commitment to work, optimism and enthusiasm and emphasis on collective team building.

The study also recommends that the bank leadership encourages the employees to rethink some of the basic assumptions about their work by stimulates thinking of employees to enhance generation of solutions to problems. To acknowledge improved quality of solutions generated by employees and encourages employees to increase their conceptualization, comprehension, and analytical capability to problem solving.

Lastly, the study recommends the bank leadership should value individual efforts, give personal compliments for doing outstanding work, provides rewards such as praise and acknowledgement of effort for achievement of specified goals, encourage personal attention to employees who look neglected and lonely, encourages individual risk-taking, innovation, freedom and uniqueness at work and give individualized bonuses and commissions for good performance attained.

## 7.0 Reference

- Abeysekera, N. (2011). *Relationship Marketing Perspective on Salespersons' Transformational Leadership Behaviour Effect*, University of Colombo, Sri Lanka
- Avolio, B.J (2005). *Leadership development in balance*. Mahwah, New Jersey: Lawrence Erlbaum Associates, Inc.
- Jiang, M.H (2002). *Non-profit organization management*. Bestwise Publishers. Taipei.
- Mathew, M., & Gupta, K. S. (2015). Transformational leadership: Emotional intelligence. *SCMS Journal of Indian Management*, 12(2), 75.
- Metwally, A. H., El-bishbishy, N., & Nawar, Y. S. (2014). The impact of transformational leadership style on employee satisfaction. *The Business & Management Review*, 5(3), 32.
- Ogola, M. G. O., Sikalieh, D., & Linge, T. K.(2017). The Influence of Individualized Consideration Leadership Behaviour on Employee Performance in Small and Medium Enterprises in Kenya. *International Journal of Business and Social Science* Vol. 8, No. 2; February 2017
- PWC (2013) report. UK Economic Outlook.
- Sarros, J. C., & Santora, J. C. (2001). The transformational-transactional leadership model in practice. *Leadership & Organization Development Journal*, 22(8), 383-394.
- Sundi, K. (2013). Effect of Transformational Leadership and Transactional Leadership on Employee Performance of Konawe Education Department at Southeast Sulawesi. *International Journal of Business and Management Invention*, 2, 50-58.
- Verma, S. P., & Krishnan, V. R. (2013). Transformational leadership and follower's organizational commitment: role of leader's gender. *NMIMS Management Review*, 23, 91-112.