Journal of Human Resource & Leadership

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ISSN: 2616-8421

Stratford Peer Reviewed Journals and Book Publishing
Journal of Human Resource & Leadership
Volume 3||Issue 3||Page 63- 78||November ||2019|
Email: info@stratfordjournals.org ISSN: 2616-8421

Strategic Leadership Practices and Performance of Banking Sector in Kenya: A Case Study of Equity Bank Limited, Head Office

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How to cite this article: Wanyama, M., T. & Nyaga, J. (2019). Strategic Leadership Practices and Performance of Banking Sector in Kenya: A Case Study of Equity Bank Limited, Head Office, *Journal of Human Resource & Leadership*, 3(3) 63-78

Abstract

Like other financial institutions, Equity bank Limited is constantly affected by changes in the external environment that include government regulations, trading blocks, increasing cost of inputs, increased competition and improved customer awareness. The main objective of this study was to establish strategic leadership practices and performance of Banking Sector in Kenya, with reference to Equity Bank Limited. Specifically, the study sought to; examine the influence of corporate strategic direction; corporate resource allocation; balanced organizational controls and ethical practices on performance of Equity Bank Limited. The study is anchored on leadership trait, institutional and goal setting theory. The study used descriptive research design. The target populations were 175 employees at Equity Bank head office that were selected using random stratified sampling procedure. Structured questionnaires were used for data collection. Data was analyzed using SPSS software. Descriptive statistics including mean, percentages, standard deviation and correlation analyses were used. The study established that corporate strategic direction affects organization performance to a large extent and therefore it concludes that corporate strategic direction is significant determinant in the performance of organizations. It also established that corporate resource allocation influences the performance of Equity bank and the study concludes that corporate resource allocation affects organization performance to a great extent, which denotes a strong positive correlation between corporate resource allocation and organization performance. It was also established that balanced organizational controls affects organization performance to a great extent and the study concludes that balanced organizational controls is a significant determinant of organization performance and finally the it was established that ethical practices affects organization performance to a great extent and the conclusion is that ethical practices significantly to organization performance. Recommendations for improvement includes: formulation of guidelines, governing structure and strategic plans for effective implementation of organization goals and objectives; investment in human capital. Board of directors and management of Equity Bank ought to understand that organizational controls facilitate making reactive and proactive corrective adjustments to strategies as they are implemented and to create and ensure a strong ethical ethos in the organization. Basing on the findings of this study, the conclusion and subsequent recommendation, there is need for a further study on strategic leadership practices and organizational performance in the telecommunication sector in Kenya whereby the study should seek to provide more insights on the current study findings and validate these findings.

Keywords: *Corporate Strategic Direction, Corporate Resource Allocation, Balanced Organizational Controls, Ethical Practice, Organization Performance, Strategic Leadership Practices, Performance of Banking Sector and Equity Bank Limited*

1.0 Background of the Study

The environment in which the organization operates is not only dynamic and tumultuous but also constantly changing, sometimes at a mind-boggling pace. Turmoil connected with changing customer behavior, globalization, investor demands, deregulation of markets and increased competition are some of the market characteristics. There is need for organizations to move beyond solving the existing problems and improve changing conditions that organization face continuously (Drucker, 2004). However, environment poses challenges that cannot be easily resolved, due to their complexities. This has made organizations to develop and adopt strategic approaches in order to deal with changing needs (Pearce & Robinson, 2011). Leadership in an organization provides a life line in action and strategy needed in the implementation process; studies have shown that the imperativeness of organization leadership and management is the key to success of strategic plans.

Strategic leadership emphasizes on the formal techniques that set organization direction, developing plans in the light of external and internal circumstances and undertaking appropriate action to attain organizational goals. Strategic leadership is important for organization because strategy formulation activities enhance the organization ability to prevent challenges, since executives who encourage subordinates who are aware of the needs of strategic planning. The process results into better decisions because group interaction generates a greater variety of strategies and because forecasts based on the specialized perspective of group members improves the screening of options. Strategic leadership makes considerable contribution in responding to market changes, new opportunities and threatening developments and provides the rationale for management in evaluating competing request (Pearce & Robinson, 2011).

Leadership is the influencing process of leaders and followers to achieve organizational objectives through change (Northouse, 2015). Kumar (2014) define leadership as a process by which a person influences others to accomplish an objective and directs the organization in such a way that makes it more coherent and cohesive. Leadership attributes like values, ethics, beliefs, skills, character and knowledge are core in organization performance which are intergraded through shared resources, vision and value that will introduce positive change and to build zeal and confidence among the followers. While Wammy and Swammy (2014) define leadership as a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organization goals and therefore a leader is a person who delegates or influences others to act so as to carry out specified objectives.

Aij and Teunissen (2017) asserts that leadership is a wide spread process which calls for delegation of power, authority and responsibility that direct, persuade and guide followers

Stratford Peer Reviewed Journals and Book Publishing
Journal of Human Resource & Leadership
Volume 3||Issue 3||Page 63- 78||November ||2019|
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towards achieving organizational and personal goals. Chen , Zheng, Yang, and Bai (2016) define leadership style as a way of providing motivation, direction and implementing plans. Management styles are viewed as approaches that a particular leader uses to lead and manage organizations and leaders that use a combination of styles are more effective because there is no one best style of leadership. One of the critical functions of leadership in an organization is to facilitate the attainment of organizational strategy and goals by eliciting desirable behavior from the employees. Leader behavior can lead to success or failure of an organization. An organization depends on the leaders at various hierarchical levels to initiate action programs for achievement of these organizational goals. Therefore, leadership styles cover each and every aspect that deal with both internal and external aspects of an organization such as guiding and helping the workforce to accomplish and achieve their tasks by acting or being a role model, dealing and handling conflict among other issues.

1.1.1 Strategic Leadership Practices

Several scholars have defined strategic leadership practice as a leader's ability to anticipate, envision, maintain flexibility, think strategically and work with followers to initiate changes that create a viable future for the organization (Serfontein, 2010; Jooste & Fourie, 2010). Bateman and Snell (2009) describe strategic leadership as the ability to understand and influence others to make decision that enhance the long term viability of the organization and at the same maintaining its short term financial stability. Strategic leadership involves envisioning and anticipating a viable future of the organization and working as team to realize the mission and vision (Bateman & Snell, 2009). Likewise, from empirical studies on strategic leadership practices, these practices are identified as involving determining strategic direction, exploring and maintaining unique core competencies, developing human capital, sustaining an effective organizational culture, emphasizing ethical practices and establishing balanced strategic controls (Jooste & Fourie, 2010).

According to Kirimi and Minja (2010) organizations' failures results from the lack of strategic leadership practice which results from the leaders' failure to sell the organizations' vision to its followers, not being able to convince followers to be passionate about the organization and failing to make employees loyal to the organizations' vision? The main challenge that organization face, is to provide clear structure that ensures that all the employees are familiar with and willing to endorse respectable strategic leadership practices, and this means that employees must initially be directly involved in the defining and debating the need for such a strategy. The proper route of achieving best strategy is to develop and utilize integrated strategic leadership structure that is capable of being applied to the widest possible range of business-related issues and mechanisms (Nel & Beudeker, 2015).

It is vital for organizations to balance, integrate, identify and align all the internal and external variables that are likely to determine and impact on the organization capacity to fulfil strategic leadership. That includes the patterns, trends and possible reactions that may be caused by the activation of strategic leadership. Strategic leadership means that the leader taking necessary action and steps to ensure the delivery of products and services meets the needs of both external and internal customer, which is very important for the future of the business. Important factors for building quality that influence strategic leadership are personal accountability and empowerment (Fulmer & Bleak, 2012). Strategic leadership practices have also been argued as being able to lead to organizational performance for which it has also been affirmed that strategic leadership practice is equally fitting for not-for-profit organizations as they also require performance (Awan, Qureshi, & Arif, 2012). Strategic leadership practice in the organization enables the leaders to anticipate the future challenge, to interpret, decide, and align organizational performance (Schoemaker, Krupp, & Howland, 2013). Ahmed (2013) proposes use of strategic leadership practice in addressing the challenges facing organizations in the 21st century. Likewise, Kirimi and Minja (2010) propose that for strategic leaders to be successful there is a need to blend managerial leadership, strategic leadership and visionary leadership in this process.

1.1.2 Organization Performance

Cascio (2014) defines organizational performance as the degree of attainment of jobs mission as measurement in terms of job outcome, customer link, quality service and intangible outcomes. Borman and Schmit (2015) indicate that performance is a multidimensional construct which measurement is based on several factors. Brumbach (2010) define performance as a means of both results and behavior, which comes on its own right and will or can be judged differently from results. Performance measurement is also referred to as performance appraisal is one exercises that human resources department most daunting task in most of the organizations that the HR department must carry out in regular basis. Performance is considered as one of the factors that maintain effective and efficiency in the organization as well as the efforts that make sure firms become more competitive in the market level. Institutions are formed with employees, for that reason executives must determine the causes that lead to deteriorating of performance. Organization performance is both affected by external and internal forces. The external forces that influence performance include competition, technology and working environment, while the internal forces include ability, motivation levels, skills and knowledge. Therefore, it’s important to understand internal forces as well as external forces affects performance of organization in general (Green & Heywood, 2007).

According to Pinder (2010) efficiency of organization performance can be determined by natural aptitude that the organization acquires over time. The reason why a person is motivated to perform certain tasks, but he does not have the required knowledge for the job which they are required to do; work can still be affected due inadequate skills required. Positive staff perception in terms of ability, motivation and conducive working environment are important to enhance and drive interests of employees to accomplish organizational goals Amar (2012), organization performance levels can be enhanced with motivation and economic wellbeing can be increased as well. In other words, if staffs are not motivated to perform their duties, their personal satisfaction cannot be achieved and as result performance level was low hence decrease in productivity. Once productivity is reduced the finances of that organization will go down in the market. Kreitner and Kinicki (2011), workers' ability in determining the effectiveness of performance is crucial for the organization, although staff with high motivational level can still perform-well if they possess enough skills. For staff to remain relevant at the work place their skills and ability to do carry out in any assignment given to them by their employers. Individual performance can be identified by role perception (Locke, 2011).

1.2 Statement of the Problem

Equity bank like any other organization is constantly affected by the changes in the external environment that include government regulations, trading blocks, increasing cost of inputs, increased competition and improved customer awareness. The bank faces a myriad of problems that are as a result of changing business dynamics such as price wars, poor corporate governance, inadequate legislative and regulatory framework, negative public perception and competition from other financial institutions. In the current competitive environment, organization leadership in banks are challenged in meeting their core objectives just like in other organizations, managers are faced with challenges in decision making that affects the performance of the banking sector. The environment in which the equity bank limited operates is not only dynamic and tumultuous but also constantly changing, sometimes at a mind-boggling pace. Turmoil connected with changing customer behavior, globalization, investor demands, deregulation of markets and increased competition are some of the market characteristics. There is need for organization to move beyond solving the existing problems and improve changing conditions that organization faces that are continuously.

Strategic leadership practices in an organization enables the organization to determine corporate strategic direction, managing corporate resource portfolio, ensure efficient way of managing process, places more emphasis on organization ethics and it has adequate organizational controls for smooth running of organization functions. Therefore, strategic leadership is the most critical factors in organization performance. Several studies have been conducted in relation to performance of banks Samaitan (2014) conducted a research on leadership styles and performance of commercial banks in Kenya. The study identified a gap on research specifically on performance but narrowed to return on investment and return on equity, this are concepts of the financial performance that are key in this research. She focused on leadership in commercial banks in Kenya. This research focused on strategic leadership and performance of Equity Bank. Pointing to a contextual and conceptual difference hence a gap in the study is identified.

Nthini (2013) conducted a research on; the effect of strategic leadership on the performance of commercial and financial state corporations in Kenya. She found out that leading strategically is directly and indirectly positively associated with performance of commercial and financial state corporations in Kenya. Contextually her research is different making it possible to spot a gap in the study literature. However, none of the previous studies have specifically focused on equity Bank. Therefore, the purpose of the study was to fill the knowledge gap by examining strategic leadership practices and performance of the Banking Sector in Kenya with reference to Equity Bank Limited. And the study was answering the following questions; what are the effects of strategic leadership on performance of Equity Bank?

1.3 Research Objectives

a) To examine the influence of corporate strategic direction on the performance of Equity Bank Limited.
b) To establish the influence of corporate resource allocation on performance of Equity Bank Limited.
c) To examine the impact of balanced organizational controls on performance of Equity Bank Limited.
d) To establish the influence of ethical practices on performance of Equity Bank Limited.

2.1 Theoretical Foundations

2.1.1 Trait Leadership Theory

The study adopted Trait Leadership Theory as the study main anchor. The major works that are behind the trait theories are by stodgily in 1948 and 1974. Trait theory is one of the earliest leadership theories and it focuses on what an effective leader is and not what an effective leader does. According to Bhatia (2009), trait theory postulates that there are sets of traits and characteristics that are associated with successful leaders. The prominent traits for successful leaders include physical traits, social traits and social characteristics, and task-related characteristics which are inborn and enable a leader to be successful. Empirical studies supporting trait theory have found evidence that there are traits that contribute to organizations' effectiveness and performance (Northouse, 2013). The list of leader traits, however, is huge and continues to grow as leaders emerge. Despite numerous studies on the diversity of leadership traits, certain criticisms have been levelled out on the trait leadership theory (Northouse, 2013). For instance it is argued out that leadership can be learned, nurtured and not necessarily an inborn thing as has been the case in human history where some very successful leaders emerged to diverse situations. Another criticism is that there is nothing inborn, divine, or mysterious as leadership qualities (Northouse, 2013).

The point is that leaders do not succeed because they possess certain traits in isolation with other factors (Bhatia, 2009). There is evidence in the literature that individual traits matter although leadership effectiveness can also be attributed to other environmental factors (Bhatia, 2009; Northouse, 2013). Following these arguments, Bhatia (2009) posits that leadership quality and traits are not sufficient for achieving organizational effectiveness. Leslie (2013) isolated five traits which lead to organizational transformations namely intelligence, self-confidence, determination, integrity, and sociability. These traits are interesting because they link well with the strategic leadership practices. The traits cited out in many trait theories link to strategic leadership practices in regard to leader characteristics, abilities, and effectiveness in a responsibility or organization. Understanding the role of leadership traits in strategic leadership practices is important especially where success is not dependent on a single factor. This is more important because the traits specific leaders possess qualify why he or she is an important asset in the organizational performance. The leader and subsequently the leadership practices add to competitiveness of organizations. This theory contributes to the tenets for successful leadership underlies leaders' characteristics, abilities, and knowledge which drive an organizations' performance. The study adopted this theory to establish how strategic leadership determines organization performance.

2.1.2 Institutional Theory

Goguen and Burstall established institutional theory in 1984. The theory has placed emphasis on organization environment that has influence in shaping organizational structure and company's actions. Institutional theory indicates that organizational decisions are not driven purely by goals that are rational and efficient but by cultural and social factors and apprehensions for acceptability. Organizations are elated by structures, routines, cultures and operate at several levels. The theory states that organizations become the same because of pressure for authenticity and isomorphic. Which implies that organization that deal with same products or services tend to be homologous within a period of time, customer needs and requirements facilitate copying other organization leaders. Organizations are likely to be induced to adopt what fellow organization by external isomorphic pressures from competitors, government, trading partners and customers. The theory also puts more emphasis on social behavior which considers organization process by which formations, representations, procedures, customs and procedures that are conventional as commanding strategies (Braton & Ahlstrom, 2010). According to the theory, organization strategies are influenced by other external factors that include political, social, economic pressure and decision making within the firm that seek to legitimate their practices to other stakeholders. The theory is applicable in this study in that it explains the organizational changes brought regulations, changes in technology, social values that affect organization strategic management.

2.1.3 Goal Setting Theory

Goal setting theory was developed by Kurt Lewin in 1960. Studies by Locker (2010) have established that there is an inductive relationship between goal setting and improved performance in production. According to Ferris (2007) goal setting is a set of decision theories of work of motivation and performance. Kinick (2013) explains that perception plays a vital role in this theory because it emphasizes on cognitive ability to anticipate likely consequences that result from behavioral action. Goal setting theory has two major assumptions that individuals have a perception about the concerns that result from their interactive engagements and casual relations among the outcomes and second assumption is that, individuals have effective reactions to certain outcomes that has both positive and negative value. When goal setting is applied to work stations, this implies that managers have a responsibility to ensure that deficiency needs are met that is proper wages and safe environment creating proper climate in which staff can develop their full capabilities. The postulation of goal setting theory is that their aim is to supervise human action (Locke & Latham, 2010).

Studies specify exact aims that lead to increased employee performance. According to Locke and Latham (2010) goal setting has four motivational mechanisms that goals have an energizing function, goals that are meaningful tends to emphasis on distinct consideration on what is important and relevant, goals affect persistence. When an individual in pursuit of certain goals, they don't seem satisfied until the goal is achieved. Goals serve as reference opinion that distinguish satisfaction and dissatisfaction and employee that produces the toughest goal line are hard to fulfil. Human beings are unendingly wanting group and to satisfy their needs are not altogether mutually exclusive but only tend to be. Goal setting theory relies upon motivators to clarify the causes of behavior at a work station, external rewards are viewed as motivators that fuel behavior as opposed to intrinsic motivators when behavior are driven from internal forces. Therefore, individuals' employees can attain both individual goals and organization's target.
According to this theory individual are motivated to perform by two expectations. Goal setting is the probability that the effort will always lead to desired performance and second goal setting is that performance will lead to preferred outcomes. While not all efforts are or was compensated in the organization set up, employees will not be motivated with to perform specific task. In relation to the study there is need for assurance, obligation and maturity. Managing organization by objectives becomes the process in which organizational objectives are agreed upon, and in this way, personnel know the expectation and hence they are able to set their own individual goals. The study adopted the theory to show the influence of strategic leadership effective communication and its influence on organization performance.

2.3 Conceptual Framework

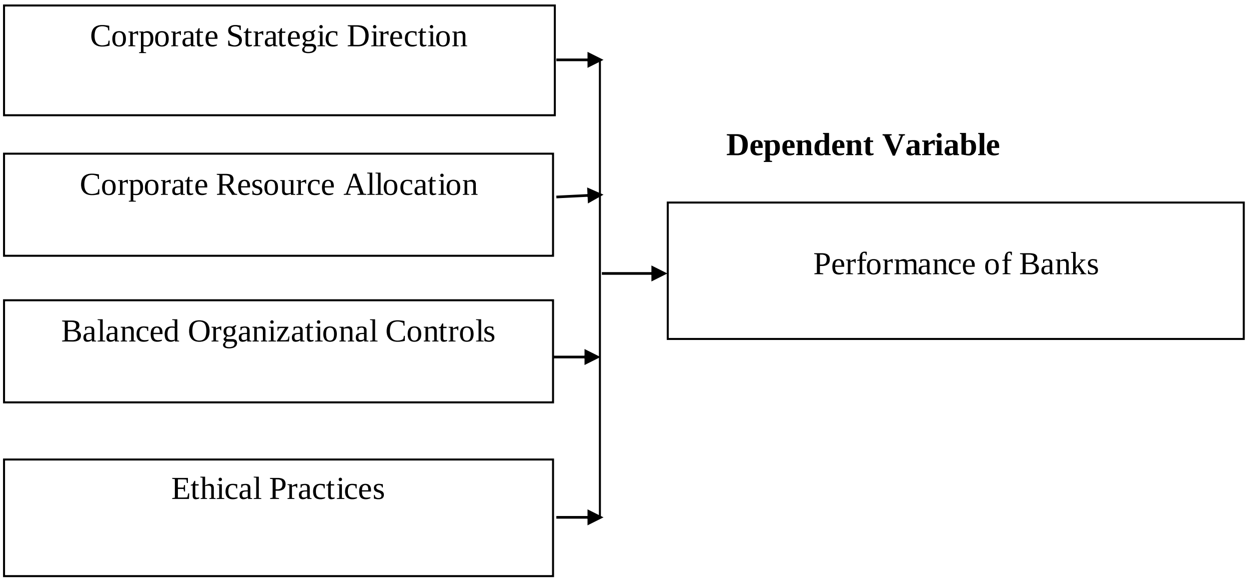

Figure 1: Conceptual framework

3.0 Research Methodology

The study adopted a descriptive research design. Research study design constitutes the blue print that guides data collection, measurement of data as well as data analysis. According to Cooper and Schindler (2016), research design is the plan and structure of study examination conceived so as to obtain answers to research study questions. The targeted population of the study was 175 and the respondents were the senior level managers, middle level managers and non-management staff. Using the Cochran's (1977) formula, the sample size was calculated as follows:

$$n = \frac{385}{(1 + (385 - 1)}$$

Where n_0 = Sample size, N = Target population (175), (1 –α equals the desired confidence level of 95%) 1, q is 1-p. n_1 = 384; e=level of precision ±5%; 05 (error of 5%) = n0= (t) 2*(p) (q)/ (d) 2=384; Sample size = **121**

4.0 Research Findings

4.1.Inferential Statistics

4.1.1 Relationship between Corporate Strategic Direction and Organization Performance

Table 1: Model Fitness for Corporate Strategic Direction

Model	R	R Square	Adjusted R Square	Std. Error
1	0.609 (a)	0.260	0.251	0.77886

The model fitness results in Table 1 show that corporate strategic direction was found to be satisfactory variable in explaining organizational Performance. This was supported by coefficient of determination also known as the R square of 0.260. This means that corporate strategic direction explained 26% of the variations in the dependent variable, which in this case was organizational performance.

Table 2: ANOVA for Corporate Strategic Direction

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.168	1	12.168	27.228	0.000(b)
	Residual	33.656	88	0.448		
	Total	48.815	89			

The ANOVA results in Table 2 show that the general model was statistically significant. Further, the outcomes suggested that the independent variable was a good indicator of organizational Performance. This was supported by an F statistic of 27.228 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 3: Regression Coefficients Results of Corporate Strategic Direction

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence y Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	Constant	1.377	0.445		3.068	0.005	0.485	2.289
	Corporate Strategic Direction	0.688	0.115	0.609	5.248	0.000	0.383	0.709

The Regression of coefficients results in Table 3 shows that corporate strategic direction and organizational performance was positively and significant related (β =0.688, p=0.000)

$$\mathbf{Y= 1.377+0.688X_1}$$

4.1.2 Relationship between Corporate Resource Allocation and Organization Performance

A regression analysis was conducted to empirically determine if corporate resource allocation was a significant determinant of organization performance by Equity Bank. Results are presented in table 4.

Table 4: Model Fitness for Corporate Resource Allocation

Model	R	R Square	Adjusted R Square	Std. Error
1	0.645 (a)	0.287	0.298	0.64962

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Journal of Human Resource & Leadership
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Email: info@stratfordjournals.org ISSN: 2616-8421

The model fitness results in Table 4 show that corporate resource allocation was found to be satisfactory variable in explaining organizational Performance. This was supported by coefficient of determination also known as the R square of 0.287. This means that corporate resource allocation explained 28.7 % of the variations in the dependent variable, which in this case was organizational

Table 5: ANOVA for Corporate resource allocation

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.829	1	13.829	33.029	0.000(b)
	Residual	32.996	88	0.422		
	Total	46.925	89			

The ANOVA results in Table 5 show that the general model was statistically significant. Further, the outcomes suggested that the independent variable was a good indicator of organizational Performance. This was supported by an F statistic of 33.029 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 6: Regression Coefficients Results of Corporate resource allocation

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence y Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	Constant	1.158	0.342		2.584	0.013	0.262	2.022
	Corporate resource allocation	0.782	0.129	0.645	5.749	0.000	0.438	0.921

Regression of coefficients results in Table 6 shows that corporate resource allocation and organizational performance was positively and significant related (β =0.782, p=0.000)

The regression model $\mathbf{Y=B_0+B_2X_2}$ explaining the results in Table 8 are given by:
$\mathbf{Y= 1.158+0.782X_2}$

4.1.3 Relationship between balanced organizational controls and organization performance

Table 7: Model Fitness for Balanced Organizational Controls

Model	R	R Square	Adjusted R Square	Std. Error
1	0.588 (a)	0.433	0.329	0.63299

The model fitness results in Table 7 show that organizational controls was found to be satisfactory variable in explaining organizational Performance. This was supported by coefficient of determination also known as the R square of 0.433. This means that organizational controls explained 43.3% of the variations in the dependent variable, which in

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this case was unexplained 56.7%, could be accounted for by other factors that include the study variables.

Table 8: ANOVA for Balanced Organizational Controls

Model		Sum of Squares	df	Mean Square	f	Sig.
1	Regression	15.576	1	15.576	38.875	0.000(b)
	Residual	31.252	88	0.402		
	Total	46.826	89			

The ANOVA results in Table 8 show that the overall model was statistically significant. Further, the outcomes suggested that the independent variable was a good indicator of organizational Performance. This was supported by an F statistic of 38.875 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 9: Regression Coefficients Results of Balanced organizational controls

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence y Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	Constant	1.154	0.409		2.832	0.007	0.344	1.965
	Balanced organizational controls	0.689	0.111	0.588	6.238	0.000	0.478	0.807

Regression of coefficients results in Table 9 shows that organizational controls and organizational performance was positively and significant related (β =0.689, p=0.000)

The regression model $\mathbf{Y=B_0+B_3X_3}$ explaining the results in Table 11 are given by:
$\mathbf{Y= 1.154+0.689X_3}$

4.1.4 Relationship between Ethical Practices and Organization Performance

Table 10: Model Fitness for Ethical Practices

Model	R	R Square	Adjusted R Square	Std. Error
1	0.609 (a)	0.376	0.363	0.61465

The model fitness results in Table 10 show that ethical practices was found to be satisfactory variable in explaining organizational Performance. This was supported by coefficient of determination also known as the R square of 0.376. This means that ethical practices explained 37.6% of organization performance of Equity bank. The unexplained 62.4% could be accounted for by other factors including corporate resource allocation, corporate resource allocation and balanced organizational controls.

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Table 11: ANOVA for Ethical Practices

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.367	1	17.367	45.944	0.000(b)
	Residual	29.478	88	0.398		
	Total	46.835	89			

The ANOVA results in Table 11 show that the overall model was statistically significant. Further, the outcomes suggested that the ethical practice was a good indicator of organizational Performance. This was supported by an F statistic of 45.944 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 12: Regression Coefficients Results of Ethical Practices

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence Interval for B	y
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	Constant	1.098	0.384		2.862	0.005	0.463	2.239
	Ethical practices	0.718	0.106	0.609	6.789	0.000	0.363	0.709

Regression of coefficients results in Table 12 shows that ethical practices and organizational performance was positively and significant related (β =0.718, p=0.000)

The regression model $\mathbf{Y=B_0+B_4X_4}$ explaining the results in Table 12 are given by:

$\mathbf{Y= 1.099+0.718X_4}$**4.2 Multivariate Regression**

Table 13: Model Summary for Strategic Leadership Practices

Model	R	R Square	Adjusted R Square	Std. Error
1	0.750 (a)	0.563	0.539	0.52254

A multiple regression analysis was carried out to investigate the joint causal relationship between strategic leadership practices and organization performance. The predictors were corporate strategic direction, corporate resource allocation, balanced organizational controls and ethical practices. Regression results presented in Table 13 indicated a satisfactory goodness of fit for the regression of the combined strategic leadership practices (corporate strategic direction, corporate resource allocation, balanced organizational controls, and ethical practices) and organization performance by Equity Bank. The R was 0.750, which implies strong positive correlations between the strategic leadership practices and organization performance by Equity Bank. An R squared of 0.565 indicates that 56.5% of organization performance is explained by the strategic leadership practices. Only 43.5% is dependent on other determinants.

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Journal of Human Resource & Leadership
Volume 3||Issue 3||Page 63- 78||November ||2019|
Email: info@stratfordjournals.org ISSN: 2616-8421

Table 14: ANOVA for Strategic Leadership Practices

Model		Sum of Squares	df	Mean Square	f	Sig.
1	Regression	26.347	4	6.587	24.123	0.000(b)
	Residual	20.488	75	0.273		
	Total	46.825	89			

ANOVA results for the overall model were presented in Table 14. The results indicated that the overall model was statistically significant, that is, strategic leadership practices were good joint explanatory determinants for organization performance by Equity Bank (f=24.123, p value=0.000).

Table 15: Multi Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	0.552	0.367		1.504	0	0.273	1.098
Corporate Strategic Direction	0.358	0.115	0.609	5.248	0.003	0.383	0.709
Corporate resource allocation	0.307	0.129	0.645	5.749	0.004	0.438	0.921
Balanced organizational controls	0.256	0.111	0.588	6.238	0	0.478	0.807
Ethical practices	0.171	0.106	0.609	6.789	0	0.363	0.709

a. Dependent Variable: Strategic leadership practices

Therefore, the optimal regression model for the study is:

$Y= \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3+ \beta_4X_4$

Strategic Leadership practices = 1.377+0.688X1 (Corporate strategic Direction) + 1.158+0.782(Corporate resource allocation) + 1.154+0.689 (Balanced organizational controls) +1.099+0.718(Ethical practices)

The model shows that corporate strategic direction was the predictor variable that highly affected performance of Equity Banks, followed by corporate resource allocation and ethical practices balanced organizational controls had the least effect on strategic leadership direction.

5.1 Conclusion

The study established that corporate strategic direction affects organization performance to a large extent and therefore study concludes that corporate strategic direction is significant determinant in the performance organizations. The study also established that corporate resource allocation influences the performance of Equity bank and the study concludes that corporate resource allocation affects organization performance to a great extent, which denotes a strong positive correlation between corporate resource allocation and organization performance and types of corporate resource allocation influence organization performance. The study also established that balanced organizational controls affects organization performance to a great extent. And the study concludes that balanced organizational controls is a significant determinant of organization performance the fourth objective was to establish how the influence of ethical practices on performance of Equity Bank Limited and the study established that ethical practices affects organization performance to a great extent and the study concludes that ethical practices was a significant determinant of organization performance. Ethical practices contribute significantly to organization performance therefore, any positive change in ethical practices influences organization performance of Equity bank. And finally, organization performance of Equity bank is significantly determined by various organizational factors such as corporate strategic direction, corporate resource allocation, balanced organizational controls and ethical practices. The study concludes that there is a strong positive correlation between the strategic leadership practices and organization performance.

6.1 Recommendations

The research study suggests the following recommendations for improvement for Equity Banks and other organizations. Board of directors and Management of Equity Bank should develop and formulate guidelines, governing structure and strategic plans for effective implementation of organization goals and objectives. Shareholders and Management of organization such as Equity Bank should know that strategic leadership is an integral part of organizational success and therefore the study recommends that management of any organization such as Equity Bank should know there is a clear relationship between chief executive officer abilities and performance and senior management team of the organization and the success of the firm therefore, management team influence each stage of the process of strategic process. Senior management at Equity Bank need to utilize an appropriate balance of leadership styles to enhance the likelihood of longer-term strategic effectiveness.

Board of directors and management of Equity Bank should invest in human capital. Building human capital requires investment in training and development and requires that senior management provide the support and budget necessary to make this happen. HRM activities have a central role in this, but without active support from the senior management in the organization, such activities will neither have the impetus or budget to be effective.

Board of directors and management of Equity Bank should know that organizational controls facilitate making reactive and proactive corrective adjustments to strategies as they are implemented. Organizational controls allow senior management to determine when adjustments are needed and what adjustments to make. Considering changing circumstances, senior management of Equity Bank can reshape long-term direction and strategy and intervene to align internal activities and behavior with strategy.

The effectiveness of the implementation of a firm's strategies improves when based on strong ethical foundations and in a culture that promotes ethical behaviors. In the absence of such an ethical culture staff and management may act opportunistically, taking advantage of their positions to benefit themselves. To create and ensure a strong ethical ethos in the organization, senior management of Equity Bank must themselves set an excellent ethical example.

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