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

*Kinara K. Raphael, Ondari Josephine, Omari Stella and Akuku Caleb
School of Business and Economics, Kisii University, P.O. Box 408 – 40200, Kisii, Kenya

***Corresponding author's email address**: rkinara@yahoo.com

Abstract

County governments in Kenya are devolved units which came into effect in 2013 after the promulgation of the new constitution. County government performance has faced a number of challenges emanating from the type of leadership embraced by each particular county. It is on this basis that this research focused on establishing the influence of transformational leadership dimensions on organizational performance of the South Eastern Kenya Economic Bloc (SEKEB) counties with the moderating role of innovation. The specific objective was to establish the influence of intellectual stimulation on organisational performance of the county governments in the South Eastern Kenya Economic Bloc. The main theory which informed this study was transformational leadership theory. It was supported by strategic leadership, resource based view and stakeholder theories. The study was guided by pragmatism philosophical approach. A descriptive research design was used. The target population was 408 with sample size of 289 respondents employed. Stratified random sampling technique was used for this study. Instrument of data collection was questionnaires. Reliability was ensured through the pilot study conducted at Kisii County and ascertained through the Cronbach's alpha test. Validity was ascertained by conducting confirmatory factor analysis. Analysis of the results was conducted using descriptive statistics; mean standard deviation, percentages and frequencies. Pearson-moment correlation coefficient was used to establish the strength of the relationship. Simple linear and hierarchical multiple regression were used to estimate the relationship between variables. The analysed data was presented in tables, graphs, charts and figures. Research results indicated that intellectual stimulation did not have a statistically significant influence on the outcome of organisational performance of South Eastern Kenya Economic Bloc. The study recommends that county leaders need to accept employee innovative ideas that are geared towards improving performance, involve the employees in the process of addressing county problems and allowing employees to participate in decision making pertaining to their work.

Key words: Intellectual Stimulation, Organisational Performance, Transformational Leadership and South Eastern Kenya Economic Bloc (SEKEB).

INTRODUCTION

Organisational performance is a variable which is the most important subject for the leaders to consider when attempting to build and improve organisational operations. Organisational performance reflects the organisations growth and long-term survival. That is, its continuous improvement of organisational performance forms its vital objectives (Ogolla 2020).

Sitonga and Widodo (2017) found out organisational performance is a description of the level of achievement of the implementation of an organisation's tasks in an effort to realize the goals, mission and vision of the organisation. Organisational performance is achieved through individual employees or a team of employees working in the organisation under the authority and responsibilities assigned and resources allocated. In the public sector, performance is measured by the inputs for executing activities, the process through which the speed and determination of implementation is done, the output whether tangible or intangible, outcome which reflect the actual and expected results, the benefits accrued from the activity and the impact whether positive or negative.

Doval (2020) study indicated that the whole society today is facing the problem of performance assurance for organisations especially obtaining success in an increasing competitive market. Organisational performance comprises the actual output or results of an organisation as measured against its intended outputs (goals and objectives). The performance of an organisation depends first of all on how it's governed and second on the active and correct involvement of employees in fulfilling the strategic objectives of the companies. The fulfillment of strategic goals is achieved both by observing the plans and procedures established, as well as by creating and accumulating new knowledge in all areas of the organisation's activities.

According to Creswell, (2014), transformational leadership is innovative, deals in advance with abrupt changes in the business environment, which positively changes the organization. Transformational leaders consider themselves as change agents and they motivate followers. Unlike transactional leaders, who exercise their power by rewarding the employees and giving them money and status. Transformational leaders on the other hand, inspire their followers and lead them towards a dream or vision for enhanced performance (Ogolla, 2020).

Individual consideration is the construct through which a transformative leader takes into account individuals' needs by being their mentor and coach as well as paying attention to the needs of each follower. The leader provides insight, maintains open communication and encourages the followers to be active by showing them on how to face challenges and issues before them. The actions also include provide the need for respecting and celebrating the individual contribution to strengthen the followers team spirit. The followers in return develop determination and desire for self-growth and acquire inherent motivation for their responsibilities (Ljungholm, 2014). (Bass, 2005 and Riaz, 2012).

Successful implementation of transformative leadership dimensions (individualised consideration, intellectual stimulation, inspirational motivation and idealised influence) plus the moderating role of innovation will lead to high organisational performance of South Eastern Kenya Economic Bloc counties.

The 2018/2019 general audit report of Machakos County indicate that more money, 39% was spent on personal emolument contrary to the threshold of 35%, thus denying development its budget allocation. The 2015/2016 audit report of Makueni County indicate a total budget of Kshs, 5,497, 781, 502 was allocated out of which 23% was spent on development. The same report indicates that out of a total budget of Kshs, 11,243,352, 825 was allocated for Kitui county and only 14% was spent on development. The less allocation negatively impacted on the delivery of services.

Studies done by Khalil & Sahibzadah, (2017), Ogola et al., (2017), Amin, (2016) and Abu et al., (2013) did not focus on the influence of transformational leadership on organisational performance in the public sector. Most of the studies focused on employee performance with little to do with the influence of innovation on organisational performance (Ngaithe et al., (2016). Finally, most of the studies did not determine the moderating effect of innovation on the relationship between transformational leadership and organisational performance (Jiang et al., (2017), Jerobon et al., (2016), Wagude et at., (2015), Angela et al., (2017), Noermijati, (2014). It is against this background that the current study aims to establish the influence of transformational leadership on organisational performance as moderated by innovation in the county governments of the South Eastern Kenya Economic Bloc (SEKEB)

LITERATURE REVIEW

Theoritical Review

Transformational Leadership Theory

Downton first introduced transformational leadership approach in 1973. Then the theory was extended by Burns in 1978 and further by Bass in 1985. In 1985, Bass postulated that the leader influences subordinates by making them understand the prominence of tasks, making them realise to keep organisational and team goals above individual interests. The theory aimed to develop positive change in subordinates and their development as future leaders. Burns described leadership as a collection of three behaviours, ability of leaders to inspire followers (known as charismatic leadership) individually to meet their personal needs also known as individualized consideration and support innovativeness and effortful problem solving known as intellectual stimulation. Bass (1985) introduced four dimensions of transformational theory; individual consideration, intellectual stimulation, inspirational motivation and idealised influence. Our study's conceptual framework in anchored on these four dimensions (Odumeru and Ifaenyi, 2013). Transformational leadership distinguishes itself from the rest of the previous and contemporary theories, on the basis of its alignment to a greater good as it entails involvement of the followers in processes or activities related to personal factor towards the organization and a course that will yield certain superior performance to the stakeholder's social dividend (Kemal & Surji, 2015 & Ogolla, 2020).

Transformational leadership is combination of charismatic, personalized influence (providing the vision, encourage high standards, energizing the followers) and instrumental, competence-oriented professionalism (Andersen, 2015). Transformational leadership theory analyses effective behaviours among leaders and the effect of such behaviours on follower performance (Ciulla, 2014). Transformational leaders influence their followers using exemplary behaviours, inspiration, and selfless attitude. Transformational leaders also demonstrate effective leadership, through their behaviours, and stimulate followers' commitment to organizational goals. Transformational leadership represents a leadership strategy aimed at increasing the employees' motivation to achieve organizational goals (Priest & Gass, 2017).

The assumption of the theory is that transformational leaders encourage followers to go beyond self-interest for the sake of the team or organisation and inspire followers to accomplish the organisation's vision and mission. Transformational leaders are not only concerned with individual performance but also the performance of the entire organisation (Hassan, 2019).

The limitation of the theory is that this type of leadership is a little multifaceted to implement, as it stresses exceptional transformational leaders who carry vast experiences, knowledge of change and high expressive cleverness. The convincing power of transformational leadership plays a significant role in the achievement of this leadership style. So if a leader is not able to persuade team members towards the vision to be achieved then the whole effort can be wasted (Odumeru and Ifaenyi, 2013).

Transformational leadership is expected to improve organizational performance, but does not address the outcomes of a transformational leader on organizational processes that are key to organizational performance. The theory has a tendency to address only the effect of a transformational leader on individual behaviour and not on the group or organization (Murgor, 2014).

The criticism to the theory is that a transformational leader is having countless ethical values but in a state where a leader does not carry such ethical values then his/her leadership style can fail and yield adverse effects. The four mechanisms are overlay to each other in terms of meanings and notions. From the ethical grounds, a transformational leader can be ambiguous also and a leader may get complicated in unethical performs. Due to this the leader can forcefully lead team members to indulge in unethical acts (Avolio and Howell, 1992). Relevance of the theory is that, for organizations to move forward in terms of overall performance, they must be willing to change, improve, and enlarge over time. When new activities take place such as innovations to steer the county to high levels, transformational leadership is the best style to bring employees on-board to the vision being presented. They make the changes themselves, which inspires others to make the changes as well. When applied correctly, this process allows the leader, the followers, and the organization to eventually reach their full potential of performance.

Strategic Leadership Theory

Strategic leadership theory as developed in the year 1999 by Ireland & Hitt who conceptualized it as a set of unique capabilities of anticipating, envisioning, maintaining flexibility, thinking in a strategic way and empowering employees to generate innovative ideas that lead to high performance. Further, it is an activity that is directed towards giving purpose to organizations House & Aditya (1997). It is also viewed as the ability to create and maintain absorptive and adaptive capacities and the ability to discern environmental opportunities through their leadership wisdom (Boal & Hooijberg, 2001). The theory was extended further by Rowe & Nejad (2009) who called it an activity of communicating the shared values and a clear vision to employees, and the ability to make decisions with minimum organizational controls. Strategic leadership is anchored on the thinking and visionary capabilities of strategic leaders whose aim is to create an organization that is transformative (Carter & Greer, 2013).

The assumption of this theory is that it has evolved as an innovative approach to management practices during recent competitive landscape. It is considered as an instrument of innovation which is a gateway to organisational sustainable growth and outstanding performance. A strategic leader has a broad sense and picture of the organisational problem and identifies opportunities that require dedication and commitment towards finding solutions. The core of which is determining the strategic direction of the organisation, towards which performance is hinged (Nayak, 2016).

The limitation of the theory is that strategy generation and execution do not generate organisational performance continuously. This is because strategic leadership

capabilities are needed in the new competitive landscape expected in the 21st century. The success of today's global interconnectedness economy springs from the fast and efficient exchanges of information (Jaleha, 2018).

Empirical studies indicate that strategic leadership is critical to organisational performance (Quigley & Graffin, 2017) and most effective during environmental uncertainties (Jansen et al., 2009). However, other studies have found out that such an influence is paradoxical since the complex nature of the external environment and other contextual factors may likely constraint or limit the leader's influence and effectiveness (Fitza, 2017). The relevance of this theory is that, the vision of the strategic leadership helps the transformative leader to create definitive, concrete and achievable outcomes that reflects the organisational performance. County outcomes are surely achieved when leader is visionary, creative, and innovative and inspires and has concern for the performance of all employees. Transformational leadership focuses on the human resources as the critical resource that effectively exerts organisational change. In this regard, transformational leadership sheds light on the strategic role of followers' attitudes and values to accomplish a higher degree of effectiveness towards achieving organisational performance.

Empirical Literature Review

Intellectual Stimulation on Organisational Performance

A study in Ghana by Agyemang et al., (2017) explored whether intellectual stimulation, idealised influence and individual consideration affected knowledge sharing among employees. A cross-sectional survey research design was employed. Data was analysed by multiple regression statistical technique. The findings indicated that there was a significant positive relationship between idealized influence and knowledge sharing. Equally, the study noted that the relationship between intellectual stimulation and individual consideration and knowledge sharing was significant. The study considered intellectual stimulation as the independent variable through a cross-sectional research design method. The current study will consider transformational leadership as the independent variable through descriptive research design method.

In Uganda, A study by Komakech et al. (2021) sought to determine the influence of intellectual stimulation on the performance of middle level health care workers in Lira district. Cross-sectional survey design was adopted in which both quantitative and qualitative methods were used to select respondents. Data was analysed using STATA 15. The findings revealed that individual consideration had a positive and significant influence on employee performance while intellectual stimulation had a negative and insignificant effect on employee performance. the study recommended that management of health facilities should focus their efforts of management strategy on attracting, developing and retaining transformative leaders who will impact the organisation in a more positive way towards employee who become more engaged in their work. The study considered intellectual stimulation as the independent variable through a cross-sectional research design method. The current study will consider transformational leadership as the independent variable through descriptive research design method.

Arthur and Priscilla (2022) investigated the influence of intellectual stimulation on the performance of Kenya Airways. Descriptive research design method was used. The respondents were sampled by use of proportionate sampling method and selected using simple random sampling. Data was analysed using descriptive statistics and multiple regressions. There was a significant and positive relationship between intellectual

stimulation and performance in Kenya Airways. The impact of intellectual stimulation on employee performance showed that the company management provided an environment for innovation, employees' creativity was encouraged by the top management and employees were able to make independent decisions. The study concluded that outstanding performance is the outcome of encouraging workers to use their initiative, think critically about challenges they find while working and look for creative ways to approach their jobs and projects.

Nyakomitta (2018) sought to establish the influence of intellectual stimulation on the performance of commercial banks in Kenya. The study employed a mixed research design. A sample size of 284 was arrived at from a target population of 24,244. Data was analysed through descriptive and inferential statistics methods whereby multiple linear regression was applied to estimate the coefficients using the statistical package for social sciences (SPSS version 230. The results revealed that intellectual stimulation affected the performance of commercial banks in Kenya. The current study will employ descriptive research design

Angela et al., (2017) established the influence of intellectual stimulation on organisational commitment in commercial banks in Kenya. Adopted was the positivist research philosophy and descriptive correlational design. 150 respondents were drawn from a population of 240 senior managers of the 40 commercial banks in Kenya employing stratified random sampling technique. There was 93% response rate. Inferential statistics such as Pearson correlations, Chi-square, ANOVA and multiple linear regressions were used in analysing the data. The multiple regression results indicated that intellectual stimulation significantly predicted organisational commitment ($R^2 = .734$, $F\ (1, 139) = 34.184$, $p < .05$, $\beta = .366$, $t\ (139) = 4.585$, $p < .05$). Based on the results the null hypothesis was rejected.

Kirui et al., (2015), investigated the influence of intellectual stimulation and individual consideration in effective organisational performance. The study involved 22 branches of Post Bank and National Banks within the Rift Valley of Kenya. The study employed primary means of data collection by using quantitative approaches with a target population of 137 employees. A questionnaire instrument was used for data collection and analysed using descriptive and inferential statistics. A regression analysis was carried out and the r2 value of 0.0374 implied that 63.7% of the variations in the effective organisational performance in state-owned banks can be explained by the variations in independent variables. Quick standard error tests showed that individual coefficients of the regression function were found to be significant in influencing effective organisational performance. The study considered intellectual stimulation as the independent variable through a cross-sectional research design method. The current study will consider transformational leadership as the independent variable through descriptive research design method.

A study in Kenya by Wagude et al., (2015) explored the influence of intellectual stimulation and conflict resolution on project implementation. The study used the ex-post factor research design and data collected through Multifactor Leadership Questionnaire (MLQ). Multi-linear regression analysis was used as the tool of analysis. The results revealed that the strength of the relationship between intellectual stimulation and implementation of Constituency Development Fund (CDF) construction projects did not depend on conflict resolution. The study concluded that the strength of the relationship between intellectual stimulation and implementation of CDF construction projects depended on conflict resolution. The study applied ex-post

factor research design but the current study will use descriptive research design method.

John et al (2015) established the influence of intellectual stimulation in effective organisational performance. The study used primary from a population of 137 employees working in 12 branches of Post Bank and National Bank within the Rift Valley, Kenya. Data was collected through a structured questionnaire. Descriptive and inferential statistical techniques were used for analysis. A regression was carried out and the R square (r^2) value of 0.6374 implied that 63.74% of the variation of effective organisational performance in state owned banks can be explained by variation in independent variables. Further; by quick standard error tests, the individual coefficients of regression were found to be significant in influencing effective organisational performances.

RESEARCH METHODOLOGY

Research Philosophy

The Study used pragmatic research philosophy. Pragmatic research philosophy focuses on the sole decision maker in the concrete world situation. It is simply oriented toward solving practical problems in the real world rather than being built on assumptions about the nature of knowledge (Creswel, 2014, Shannon-Baker, 2016). Pragmatism is action oriented (Cameron, 2011).

Research design

The study applied the descriptive research design. The design was appropriate because it enabled the researcher to describe and explain information on the influence of transformational leadership dimensions on organisational performance of county governments in South Eastern Kenya Economic Bloc. It was important to the study in that it allowed the collection of more information from the respondents in regard to all the variables of the study. This research design had been used in the past by scholars including; Ondari et al., (2018), Kirui et al., (2019), Benta et al., (2018), Nyakawa, (2021) and Karimi & Morshedi, (2015).

Study area

The study was carried out in South Eastern Kenya Economic Bloc counties (Kitui, Makueni, Machakos). The South Eastern Kenya Economic Bloc was chosen because of its geographical convenience to arrive at the sample size of the respondents to the study. The other reason for the choosing SEKEB counties was that they are all dealing with the same economic activities of manufacturing and mining. In Machakos County, steel and cement are manufactured, Kitui does charcoal mining and Makueni deals with processing of agricultural products.

Target Population

The target population of this study was 408 respondents drawn from Machakos, Makueni and Kitui counties. The target key informants and unit of analysis were; 30 county executive committee members, 47 county chief officers, 136 directors and 195 deputy directors. The target population was drawn from the top management level of the county government. The reason being these are the categories of employees who are involved in planning for the county projects. They also participate in formulating the vision, mission, goal and objectives of fulfilling the projects of the county government. Still, they are the people who draw programs on the trainings, seminars and workshops that other employees attend for the purpose of gaining knowledge on how to improve organisational performance of the county government.

Sampling procedure and sample size

A stratified sampling technique was adopted because the entire target population was divided into sub-groups. It was applied with the intention of using the results to draw conclusions about the population from which it was chosen (Cooper and Schindler, 2014). Since the population was heterogeneous, stratified random sampling technique ensured representation of all the SEKEB counties.

The sample size of 202 was calculated using Yamane's model at a confidence level of 95% (0.05). Yamane's model states that;

$$n = \frac{N}{1+N(e^2)}$$

Where:

n = Sample size required

N = Target population

e = Margin error

$$n = \frac{408}{1+408(0.05)^2} = 202$$

The study used the error margin (confidence interval) of 0.05 at the confidence level of 95% rather than 0.01 at the confidence level of 99%, because a lower margin of error indicates higher confidence levels in the produced results. Margin error is used to delimit the error of estimation (Dennis and Vince, 2010).

Data Collection

Primary sources of data were relied on and sourced through the structured questionnaires.

Instrumentation

The questionnaires for this study were self-administered to the sampled respondents (county chief officers, directors and deputy directors) of the study. The questionnaires were preferred because the data gathered could be processed and analysed relatively easily. They provided a convenient way of collecting data from a large number of respondents within a specified time. Being quantitative in nature, they easily allowed analysis of results. They allowed respondents to maintain their anonymity (Mugenda and Mugenda, 2003).

The sampled participants responded to the questionnaires whose items sought their views on the objectives of the research. The questionnaire was rated in a 5 point likert scale (5= strongly agree, 4= agree, 3= undecided, 2= disagree, 1= strongly disagree). The administered questionnaires had seven sections. Section 1 sought to ask questions on demographic data, section II on individualised consideration, section III on intellectual stimulation, section IV on inspirational motivation, section V on idealised influence, section VI on innovation and section VII on organisational performance.

Data Analysis and Presentation

The collected and valid questionnaires were coded and keyed into the SPSS version 23. Data was analysed using descriptive statistics (mean and standard deviation) simple and multiple hierarchical regressions. The hypothesis and simple regression model for intellectual stimulation were set as follows; Intellectual stimulation of the leader does not have a statistically significant effect on the performance of the county governments in South Eastern Kenya Economic Bloc.

$Y = \beta o + \beta_1 X_1 + €$……..i

Where;
Y = Organisational performance
β_0 - regression intercept
β_1 - coefficient of intellectual stimulation
X_1 – intellectual stimulation
€ - error term

RESULTS AND DISCUSSIONS

Response Rate

Two hundred and eighty-nine (289) questionnaires were given out to the respondents out of which two hundred and thirty-five (235) were filled and returned. This represented the rate of 81.31% which was found sufficient for the study (Saunders et al, 2021). Fifty-four (54) questionnaires were not returned and eighteen (18) were not correctly filled and therefore were found not suitable for analysis. Two hundred and sixteen (217) questionnaires were appropriately filled and returned yielding to the response rate of 75.1%. Any response rate of above 55% is enough for conducting data analysis (Miller, 2011). Visser et al., (1996) note that the best way to obtain unbiased estimates is to achieve a high response rate.

Influence of Intellectual Stimulation Dimension on Organisational Performance

The study sought to establish the influence of intellectual stimulation of the leaders on the performance of county governments in South Eastern Kenya Economic Bloc. The results were presented in table 1.

The research results in table 1 shows that majority of the respondents agreed that the leader accepts employee innovation ideas that are geared towards improving performance (N= 217, M = 4.03, SD = 0.729). The results also pointed out that the leader involves employees in the process of addressing county problems (N= 217, M = 3.95, SD = 0.812). Similarly, respondents demonstrated that the leader encourages employees to approach old situations in new ways (N= 217, M = 3.84, SD = 0.824). Further still, the respondents held the view that the leader allowed them to participate in decisions pertaining to their work (N= 217, M = 3.90, SD = 0.858). Respondents also revealed that the leader encourages employees to try new approaches in fulfilling duties (N= 217, M = 3.75, SD, 0.880).

Similarly, the results indicate that the leader accepts different viewpoints to solving the problems (N= 217, M= 3.79, SD = 0.936). Additionally, those who responded held the view that the leader accepts criticism for better performance and delivery services (N= 217, M= 3.76, SD = 0.928). Still, the respondents indicated that the leader encourages creative minds to develop and promote the services and goals of the county (N= 217, M = 3.78, SD = 0.832). The results further still show that the respondents agreed that the leader allows them to reexamine critical issues to bring on board real solutions (N= 217, M = 3.87, SD = 0.822). The results reveal that the leader encourages autonomy of doing work that promotes performance and delivery of results (N= 217, M = 3.89, SD = 0.846).

The results in table 1 displays that skewness values did not have outliers, they ranged between -2 and + 1 and were not excessive. Thus, there was a normal distribution. The results revealed that skewness had an average mean of -0.718. All the values were below -1, an indication that a negatively skewed distribution was attained which had a lightly longer tail to the left than to the right. The negative skewness also meant that responses tending towards the 5 were many than those which tended towards 1 on the five point likert scale. Results show that observations were approximately symmetrical.

Table 1: Table showing the Descriptive Statistics Results for Intellectual Stimulation Dimension (N = 217)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
The leader accepts employee innovation ideas that are geared towards improving performance	217	2	5	4.03	.729	-.991	1.693
The leader involves employees in the process of addressing county problems	217	1	5	3.95	.812	-.901	1.291
The leader encourages employees to approach old situations in new ways	217	1	5	3.84	.824	-.703	.483
The leader allows us to participate in decisions pertaining to our work	217	1	5	3.90	.858	-.923	1.139
The leader encourages employees to try new approaches to fulfilling duties	217	1	5	3.75	.880	-.894	.873
The leader accepts different viewpoints to resolving problems	217	1	5	3.79	.936	-.732	.338
The leader accepts criticism for better performance and delivery of services	217	1	5	3.76	.928	-.792	.571
The leader encourages creative minds to develop and promote the services and goods of the county	217	1	5	3.78	.832	-1.041	1.564
The leader allows me to re-examine critical issues to bring on board real solutions	217	2	5	3.87	.822	-.508	-.092
The leader encourages autonomy of doing work that promotes performance and delivery of results	217	1	5	3.89	.846	-.584	.142
Average				**3.856**	**0.847**	**-0.718**	**0.800**

Source: Field Data, (2023)

The results also showed that kurtosis values were not excessive and had no outliers since they lied within the range of -3 and +3, indicating that data was approximately normal. The average mean score of kurtosis value was 0.800, indicating that all the intellectual stimulation dimension items for the study assumed a kurtosis of ≤ 3, thus showing the distribution was symmetric and platykurtic since most answers tended more to 4 than 1. The general average mean score of standard deviation was 0.847, showing that intellectual stimulation dimension items were not isolated. The standard deviation score also showed that there were differences in the way responses were indicated in the questionnaire items as to what extent intellectual stimulation dimension influenced organizational performance in the county governments in South Eastern Kenya Economic Bloc. The general result on intellectual stimulation dimension indicates a mean score of 3.856. These findings indicate that majority of the respondents moderately agreed that intellectual stimulation played an insignificant role in the performance of county governments in SEKEB.

The research results that the intellectual stimulated leader accepts employee innovation ideas that are geared towards improving performance. Such a leader accepts criticism for better performance and delivery of services. The leader allows employees to re-examine critical issues to bring on board real solutions. This result is supported by John et al., (2015) who noted that the intellectual stimulation significantly influences organisational performance.

Descriptive Statistics for Organisational Performance

The study sought to establish the performance of county governments of South Eastern Kenya Economic Bloc. The results are highlighted in table 2.

Table 2: A Table Showing the Descriptive Statistics Results for Organisational Performance (N = 217)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
The county projects are completed on time	217	3	5	4.17	.553	.059	-.011
The county government utilizes the resources for the purpose for which are planned	217	3	7	4.35	.697	.235	.437
The county residents have access to public services	217	2	6	3.92	.702	.035	.178
The county residents have access to county public utilities	217	3	6	4.06	.624	.188	.240
The county government ensures that her citizens participate in planning the projects	217	3	5	4.33	.553	-.048	-.705
County projects are equally distributed according to the need of local residents	217	3	5	4.10	.460	.376	1.407
Average				**4.155**	**0.598**	**0.282**	**0.258**

Source: Field Data, (2023)

The findings from table 2 of the research indicate that the county projects are completed on time (N= 217, M = 4.17, SD = 0.553). Also, the respondents were of the view that the county government utilizes the resources for the purpose for which are planned (N= 217, M = 4.35, SD = 0.697) and that the county residents have access to public services (N= 217, M = 3.92, SD = 0.702). Additionally, the respondents held the view that the county residents have access to county public utilities (N= 217, M = 4.06, SD = 0.624). Further still, the results showed that the county government ensures that her citizens participate in planning the projects (N= 217, M = 4.33, SD = 0.553). Further, the respondents held the view that county projects are equally distributed according to the need of local residents (N= 217, M = 4.10, SD = 0.460).

The results in table 2 displays that skewness values did not have outliers, they ranged between -2 and + 1 and were not excessive. Thus, there was a normal distribution. The results revealed that skewness had an average mean of 0.282. All the values were below +1, an indication that a negatively skewed distribution was attained which had a lightly smaller tail to the left than to the right. The negative skewness also meant that responses tending towards the 5 were many than those which tended towards 1 on the five point likert scale. Results show that observations were approximately symmetrical. The results also showed that kurtosis values were not excessive and had no outliers since they lied within the range of -3 and +3, indicating that data was approximately normal. The average mean score of kurtosis value was 0.258, indicating that all organizational performances items for the study assumed a kurtosis of $\leq$ 3, thus showing the distribution was symmetric and platykurtic since most answers tended more to 5 and 4 than 1. Thus, a perfect distribution was observed. The general average mean score of standard deviation was 0.598, indicating that there were differences in the way responses were indicated in the questionnaire items as to what extent idealized influence affected organizational performance in the county governments in South Eastern Kenya Economic Bloc. The general result on idealized influence indicates a mean score of 4.155. These findings indicate that majority of the respondents agreed that idealized influence played a significant role in the performance of county governments in South Eastern Kenya Economic Bloc.

In support of this result is a study by Datche (2015) who examined the influence of transformational leadership on organisational performance of state corporations in Kenya with the moderating role of employee engagement. The findings demonstrated that both transformational leadership and employee engagement were significantly related to organisational performance of state corporations in Kenya.

Victorine (2017) investigated effects of transformational leadership on organisational performance in Equity Bank in Kenya. The study found out that transformational leadership predicted organisational performance in Equity Bank in Kenya. The study concluded that employees must be given the opportunity and support to improve organisational performance and ensure that organisational objectives are met. Jerobon et al., (2016) assessed the influence of transformational leadership on employee performance in Nandi County government in Kenya. The results showed that there was a positive relationship between transformational leadership and employee performance. Ogolla (2020) examined the influence of transformational leadership on organisational performance of state corporations. Results indicated that transformational leadership had a positive and significant influence on organisational performance.

Confirmatory Factor Analysis

The study utilized Kaiser-Meyer-Olkin (KMO) to ascertain sampling adequacy and reliability of KMO index and Bartlett's test of Sphericity were conducted in order to

assure that the sample was sufficient to fulfill the requirement of confirmatory factor analysis. Principal component analysis with Eigen values of more than one (1) explained the level of variance of one variable to another. Also, the Eigen value exceeding one (1) indicated that data was worthy of conducting inferential statistics. Principal component analysis results for intellectual stimulation are shown in table 3.

Table 3: A Table Showing the Factor Analysis for Intellectual Stimulation

Component Matrix[a]		
	Component 1	
The leader accepts employee innovation ideas that are geared towards improving performance	.652	
The leader involves employees in the process of addressing county problems	.780	
The leader encourages employees to approach old situations in new ways	.784	
The leader allows us to participate in decisions pertaining to our work	.787	
The leader encourages employees to try new approaches to fulfilling duties	.805	
The leader accepts different viewpoints to resolving problems	.782	
The leader accepts criticism for better performance and delivery of services	.745	
The leader encourages creative minds to develop and promote the services and goods of the county	.777	
The leader allows me to re-examine critical issues to bring on board real solutions	.727	
The leader encourages autonomy of doing work that promotes performance and delivery of results	.750	
Extraction Method: Principal Component Analysis.		
a. 1 components extracted.		
Total Variance Explained		
Initial Eigenvalues		
Total	5.775	
% of Variance	57.746	
Cumulative %	57.746	
KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.929
Bartlett's Test of Sphericity	Approx. Chi-Square	1181.854
	df	45
	Sig.	.000

Source: Field Data, (2023)

Eleven elements for intellectual stimulation dimension were subjected to PCA by use of SPSS version 23. The suitability for data analysis was done before conducting PCA. All items except (one) for intellectual stimulation dimension scored a value of above 0.5. Hence one (1) item was removed and 10 items were retained for factor analysis. The Chi-square statistics at 1181.854 was found to be above the value of 0.5 (Bartlett, 1954). It had the corresponding $p \leq 0.001$, which was less than the significance level of 0.05. The KMO value at 0.929 was more than 0.5 (Kaiser, 1974). The results proved satisfactory for conducting factor analysis.

The results proved satisfactory for conducting factor analysis, thus indicating the demonstration of factorization of one (1) factor, for intellectual stimulation dimension. Principal component analysis showed the presence of one (1) component with Eigen value not exceeding 1, explaining the constant variance of 57.746. Hence, all factors

were retained since the items were correlated and suitable for factor analysis. The component explained the total variance of 57.75 %.

Correlation Analysis

Correlation analysis test results indicates that there was a moderate, positive and significant relationship between intellectual stimulation ($r = 0.082$, $N = 217$, $p = 0.232$) and organisational performance.

Regression Analysis

The study sought to establish the influence of intellectual stimulation of the leader on the performance of county governments in South Eastern Kenya Economic Bloc. The study predicted that intellectual stimulation of the leader does not have a statistically significant influence on the performance of the county governments in South Eastern Kenya Economic Bloc. A simple regression model was employed to establish the relationship between intellectual stimulation and organisational performance.

$Y = \beta o + \beta_2 X_2 + €$……2

Where;

Y - Organisational performance

β_0 - Constant (coefficient of intercept

β_2 - Change in organisational performance for each 1 increment change in X_2, that is intellectual stimulation

X_2 - Intellectual stimulation

€ - error term

Model summary for individualised consideration on organisational performance is shown in table 4a.

Table 4a: Showing the Model Summary for Intellectual Stimulation Dimension on Organisational Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.082[a]	.007	.002	.86500

a. Predictors: (Constant), Intellectual stimulation

Source: Field Data, (2023)

Table 4a shows results that intellectual stimulation had R squared ($R^2 = .007$), meaning that intellectual stimulation explained 0.7 % of the change in organisational performance of county governments of SEKEB.

The ANOVA findings are described in table 4b

Table 4b: Showing ANOVA [a] for Intellectual Stimulation Dimension on Organisational Performance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.076	1	1.076	1.438	.232[b]
	Residual	160.118	215	.748		
	Total	161.194	216			

a. Dependent Variable: Organisational performance

b. Predictors: (Constant), Intellectual stimulation

Source: Field Data, (2023)

The ANOVA findings show the model fitness for influence of intellectual stimulation on organisational performance was not statistically significant (F = 1.438, P = .232). Given that the calculated F = 1.438, while F-critical = 3.84 (1,216) then F-critical ≥ F calculated at the confidence level of 95% (0.05). Thus, the model was not fit to predict organisational performance using intellectual stimulation. The results show that intellectual stimulation is not a significant predictor of organisational performance of county governments in South Eastern Kenya Economic Bloc. The Predictor has a negative and insignificant influence. Therefore, the null hypothesis (H_{02}) was accepted.

In support of this result, Komakech et al., (2021) findings revealed that intellectual stimulation had a negative and insignificant effect on employee performance. The study recommended that management of health facilities should focus their efforts of management on attracting, developing and retaining transformative leaders who impact the organisation in a more positive way towards employee who become more productive in their work

Inconsistent to the findings is Angela et al., (2017) findings indicated that intellectual stimulation significantly predicted organisational performance (R2 = .735, F (1, 139) = 34.184, P ≤ .05, β = .366, t (139) = 4.585, P ≤ .05). Contrary to this result, Nyakomita (2018) findings do not agree with the current study's revealed results. The author found out that intellectual stimulation affected the performance of commercial banks in Kenya. In addition, Sanchez-Cardona et al, (2018) found out intellectual stimulation had a positive and significant effect of improving learning among teams in the organisation, hence improved performance. The study recommended on the importance of developing leadership behaviours that encouraged learning and team positive effects, which contributes to team learning and hence performance.

This finding is inconsistent with Arthur and Priscilla (2022) who investigated the influence of intellectual stimulation on the performance of Kenya Airways. The study found that intellectual stimulation and Kenya Airways performance was statistically significant F (1, 179) = 406.857, P < 0.05 which was greater than (mean value) (1, 179) = 248.84, P < 0.05.

Table 4c: Showing the Coefficients for Intellectual Stimulation Dimension on Organisational Performance

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.760	.173		15.996	.000
	Intellectual stimulation	.058	.048	.082	1.199	.232
a. Dependent Variable: Organisational performance						

Source: Field Data, (2023)

The results in table 4c shows the βo = 2.760, meaning that if all other factors were kept constant organisational performance of county governments in South Eastern Kenya Economic Bloc would be 2.760. In addition, unstandardized coefficients of intellectual stimulation were 0.058, meaning that a singular unit increase in intellectual stimulation having other factors at zero, would lead to 0.058 increase in organisational performance of county governments in South Eastern Kenya Economic Bloc. Further,

the results revealed that intellectual stimulation predicted organisational performance β_2 = .082, p ≤ 0.05), which means that a unit increase in intellectual stimulation dimension yielded a .082 change in organisational performance. The influence of intellectual stimulation dimension was less by zero (0.82) times the test attributed by the t-test value = 1.199. With the t value of 1.199; p value = 0.232 against a significance level of ≤ 0.05. Hence intellectual stimulation proves to be statistically not significant in changing the outcome of organisational performance of county government of South Eastern Kenya Economic Bloc. On the foundation of the results above, the simple linear regression model was developed as shown below;

$$Y = 2.760 + 0.058\ IS$$

Innovation, Intellectual Stimulation and Organisational Performance

A simple linear regression was used to examine the moderating role of innovation on the relationship between intellectual stimulation dimension and organisational performance. The results are shown in tables 5a, b and c respectively.

Table 5a: Showing the Model Summary for Innovation, Intellectual Stimulation Dimension on Organisational Performance

Model Summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.079[a]	.006	.002	.86425	.006	1.341	1	215	.248
2	.082[b]	.007	-.003	.86606	.001	.111	1	214	.739

a. Predictors: (Constant), Intellectual stimulation

b. Predictors: (Constant), Intellectual stimulation, Innovation

Source: Field Data, (2023)

The results in table 5a indicate that two models were generated. The first (1) model indicate that the variance of intellectual stimulation dimension accounts for 0.6%. The simple linear regression for model 2 indicated that it is the significant and important one since it has the remarkable interaction between intellectual stimulation dimension and organisational performance. This implies that the result of model 2 indicate a moderate important relationship between intellectual stimulation dimension, innovation and organisational performance of county governments of SEKEB. This implies that the result of model 2 indicate a moderate important relationship between intellectual stimulation dimension, innovation and organisational performance. The results further indicate that intellectual stimulation dimension and organisational performance accounts for 0.7% of change in organisational performance of county governments in SEKEB. Intellectual stimulation dimension accounted for 0.6 % of the variance in organisational performance. The extent of innovation moderating effect on the relationship between intellectual stimulation dimension and organisational performance is 0.1% (0.7% - 0.6%). The results of NOVA table are show in table 5b.

Table 5b: Showing ANOVA[a] for Innovation, Intellectual Stimulation Dimension on Organisational Performance

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.002	1	1.002	1.341	.248[b]
	Residual	159.095	215	.747		
	Total	160.096	216			
2	Regression	1.085	2	.542	.723	.486[c]
	Residual	159.011	214	.750		
	Total	160.096	217			

a. Dependent Variable: Organisational performance

b. Predictors: (Constant), Intellectual stimulation

c. Predictors: (Constant), Intellectual stimulation, Innovation

Source: Field Data, (2023)

Table 5b show results of ANOVA model that indicated that intellectual stimulation dimension and innovation was not statistically significant. The calculated F = 0.723, while F-critical = 3.04 (2,215) then F-calculated ≤ F critical at the confidence level of 95% (0.05), then the model revealed a statistically insignificant moderating role of innovation on the relationship between intellectual stimulation and organisational performance. Hence, the hypothesis (Ho_{5b}**)** was accepted. The coefficients of this prediction in addressing the elements of objective v (b) are shown in table 5c.

Table 5c: Showing the Coefficients for Innovation, Intellectual Stimulation Dimension on Organisational Performance

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.762	.172		16.020	.000
	Intellectual stimulation	.056	.048	.079	1.158	.248
2	(Constant)	2.373	1.181		2.009	.046
	Intellectual stimulation	.055	.048	.078	1.146	.253
	Innovation	.094	.281	.023	.333	.739

a. Dependent Variable: Organisational performance

Source: Field Data, (2023)

Table 5c show the model which explains that the increase of intellectual stimulation dimension as moderated by innovation results to a singular unit increase in organisational performance by 0.023, $p \geq 0.05$. Upon the conclusion of the results, the following simple linear regression model was developed.

$Y = 2.373 + 0.094\ ISIn$

The second objective of the study was to establish the influence of intellectual stimulation dimension of the leader on organisational performance of county governments in South Eastern Kenya Economic Bloc. The findings indicated that there existed a weak and positive relationship between intellectual stimulation and organisational performance of county governments in South Eastern Kenya Economic Bloc. The study hypothesized that the relationship between intellectual stimulation and organisational performance was not statistically significant. Thus, intellectual stimulation did not have a statistically significant influence on the outcome of

organisational performance of South Eastern Kenya Economic Bloc. Hypothesis H_{02} was accepted

The findings in the multiple regression model revealed a significant and moderating influence of innovation in the relationship between intellectual stimulation and organisational performance. Hypothesis H_{05b} was accepted. Therefore, individually considered, innovation moderator did not have a positive and significant influence on the relationship between intellectual stimulation and organisational performance.

CONCLUSIONS

The dimension of intellectual stimulation did not attract positive influence on organisational performance of the county governments of South Eastern Kenya Economic Bloc. The reasons given are the leader; did not accept employee innovation ideas that were geared towards improving performance, did not involve employees in the process of addressing county problems, did not encourage employees to approach old situations in new ways, did not to allow employees to participate in decision making pertaining to their work, did not allow the local people to participate in decision making on county projects, did not accept criticism for better performance and delivery of services, did not encourage creative minds to develop and promote the services and goods the county, did not allow the employees to re-examine critical issues to bring on board real solutions and did not encourage autonomy of doing work that promoted performance and delivery of services.

RECOMMENDATIONS

Intellectual stimulation dimension of the leader showed moderate contribution to influencing organisational performance of county governments in South Eastern Kenya Economic Bloc. To this end, the leader needs to accept employee innovative ideas that are geared towards improving performance, involve the employees in the process of addressing county problems and allowing employees to participate in decision making pertaining to their work. Further, the research recommends that the leader should encourage employees to try new approaches for fulfilling county assigned duties. In addition, the leader should be ready to accept different viewpoints to solving county problems and accept criticism from employees as this will enhance performance and service delivery. The researcher is of the idea that leaders of county governments in South Eastern Kenya Economic Bloc and other regional economic blocs in the Republic of Kenya should allow employees to re-examine critical issues affecting the counties and bringing on board real solutions. It is as well recommended that leaders of county governments should encourage autonomy of employees doing the work that promotes performance.

Suggestions for further studies

Future researchers should consider doing research in other regional economic blocs in the republic of Kenya using the same variables to ascertain if the findings will be the same.

REFERENCES

Agyemang, F. G., Boateng, H., & Dzandu, M. D. (2017). Examining Intellectual Stimulation, Idealised Influence and Individualised Consideration as an Antecedent to Knowledge Sharing: Evidence from Ghana. *Knowledge Management and E-Learning*, 9(4).

Angela, C.K., George, O.K & Kefah, N., (2017). Influence of Idealised Influence and Individualised Consideration on Organisational Commitment in Commercial Banks in Kenya. *American Journal of Leadership and Governance*, 1 (2), 39-62.

Arthur, S.S.N., & Priscilla, N., (20220 The Influence of Intellectual Stimulation on the Performance of Kenya Airways. *International Journal of Social Science and Humanities Research*, 10 (4), 462-467

Bass, B. M., & Riggio, R. E. (2005). Transformational leadership: Second edition. In *Transformational Leadership: Second Edition*.

Carter, S. M., & Greer, C. R. (2013). Strategic Leadership: Values, Styles, and Organizational Performance. *Journal of Leadership &Organizational Studies*, 20 (4), 375 –393.

Ciulla, J. B. (Ed.). (2014). *Ethics, the heart of leadership*. ABC-CLIO. https://www.quora.com

Creswell, J. W. (2014). Research Design: Qualitative, Quantitative and Mixed Methods Approaches (4th ed.). *English Language Teaching*, 12(5).

Doval, C. (2020). Organisational Performance by the Process of Knowledge Creation. *Review of General Managent*, 32 (2).

Fitza, M.(2017). How Much Do Ceos Really Matter? Reaffirming That the Ceo Effect is Mostly Due to Chance. *Strategic Management Journal*, 38 (3), 802–811.

Hassan, K.M., (2019). Transformational Leadership; A Constructive Analysis of Leadership Behaviour. *International Journal of Business and Management invention*, 8, (3), 51-57.

House, R. J., & Aditya, R. N., (1997). The Social Scientific Study of Leadership: Quo Vadis? *Journal of Management*, 23 (3), 409 – 473.

Jerobon, T., Kimutai, G., & Kibet, Y. (2016). Evaluation of Effects of Transformational Leadership and Employee Performance: A Survey of Nandi County Government. In *IOSR Journal of Business and Management*, 18 (11).

Jaleha, A.A. (2018). Strategic Leadership and Organisational Performance. *European Scientific Journal*, 14 (35), 1857-7881.

John, K.M.A.I., & Christopher ,K., (2015). Influence of Intellectual Stimulation and Individualised Consideration in Effective organisational Performance in State-Owned Banks in Kenya. *International Journal of Research in Applied natural and Social Sciences*, 3 (10), 111-120.

Kemal M. (2015). Understanding Leadership and Factors that Influence Leaders Effectiveness. *European Journal of Business and Management 7*(33), 248-254.

Komakech, E., Obici, G & Mwesigwa, D., (2021). Intellectual Stimulation and Employee Performance. Reflections on Middle-level Health Care Workers in Lira District Uganda. *International Journal of Thesis Projects and Dissertation (UTPD)*, 9 (12).

Ljungholm, D. P. (2014). Transformational leadership behaviour in public sector organizations. *Contemporary Readings in Law & Social Justice, 6(1)*, 76-81.

Nayak, S. (2016). Strategic Leadership ; Issues & Challenges (A study in secondary iron & steel industries in Karnataka). *Journal of Research of Humanities and Social Science*, 4(4).

Nyakomitta, O. K. (2018). Influence of Intellectual Stimulation on the Performance of Commercial Banks in Kenya. European Journal of Business and Strategic Management, 3(8), 32-46.

Odumeru, J. A & Ifeanyi, G. O., (2013). Transformational Leadership Versus Transanctional Leadership Theories: Evidence in Literature. *International review and Business Researc*h, 2 (2).

Ogola, M.G.O., Sikalieh, D., & Linge, T. K., (2017). The Influence of Intellectual Stimulation Leadership Behaviour on Employee Performance in SMEs in Kenya. International Journal of Business and Social Science, 8 (3).

Orabi, T.G.A., (2016). The Impact of Transformational Leadership Style on Organisational Performance Evidence for Jordan. *International Journal of Human Resource Studies*, 6,(2).

Quigley, T. J., & Graffin, S.D. (2017). Reaffirming the CEO Effect is Significant and Much larger than Chance: A Comment on Fitza (2014). *Strategic Management Journal*, 38 (3), 793– 801.Qutoshi, S. B. (2018). Phenomenology: A Philosophy and Method of Inquiry.*Journal of Education and Educational Development*, *5*(1).