Influence of Intellectual Stimulation on Organizational Performance of Water Service Companies in Western Region, Kenya

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ABSTRACT

Leadership practices remain a major challenge facing many organizations with a significant impact on performance. Because leadership is crucial for achieving organizational performance and gaining competitive advantage, intellectual stimulation styles of leadership are lacking. This matter seems contentious as is the case, since the prevailing global business environment has become dynamic and challenging for most organizations. Therefore, to attain a remarkable performance in the current volatile and competitive socio-economic environment, a combination of buoyant leadership practices is essential. This study sought to ascertain the influence of intellectual stimulation on the performance of water service companies in the Western Region, of Kenya. The study was anchored on institutional theory. The research followed a positivist research philosophy and used a descriptive and correlational research design. The target population was 638 with a sample size of 245 employees who comprised 97 Top level Managers, 149 Technical Staff and 392 Support Staff from four purposefully selected Water service companies. For data collection close-ended questionnaires were used. A pilot study was done by Siaya-Bondo Water and Sanitation Company. To test validity, the study used content, construct, and face validity. Data was analysed using descriptive statistics which included frequencies, percentages, mean and standard deviation while inferential statistics employed simple linear regression. The results were presented in tables. The study found that intellectual stimulation had a positive and significant correlation effect on the performance of water service companies in Western Region, Kenya by 0.589 units (β_1=0.589, p=0.000). Thus, the null hypothesis that intellectual stimulation has no significant influence on the performance of water service companies in Western Region, Kenya is rejected, as intellectual stimulation positively and significantly impacts organizational performance. The study thus concludes that intellectual stimulation can develop employees periodically when given leadership roles where they can be allowed to make important decisions and also be able to participate in decision-making as leaders, hence relying on personal judgment in making those important decisions. The findings of this study contributed to the knowledge gap and linked intellectual stimulation leadership that develops employees periodically; the study recommends by giving leadership roles, employees can be allowed to make important decisions and also participate in decision making as leaders.

Keywords: Intellectual Stimulation, Institutional Theory, Leadership, Organizational Performance, Water Service Companies

I. INTRODUCTION

This study set out to examine the influence of intellectual stimulation on performance of water service companies in Western Region, Kenya. The global practice of most organizations is to stimulate economic growth of nations by pursuing competitive advantage strategies that cut across economic, operational and managerial factors. Across the world, however, organizations are devising effective strategies so as to increase in performance. The challenge has been the resurgence of geopolitical instability, changing market dynamic and technological developments. This has impacted on the global business environment which is fast changing, complex and characterised by enormous challenges for leadership.

In recent years, globally, there has been a growing recognition of the importance of leadership, including its structure and practices, since the 1990s. This has led to the emergence of a sustainable leadership model that holds value for contemporary organizations seeking to adopt sustainable approaches to conducting business at local, regional, and global levels (Jones & Shideh, 2020). There have been organizations failures experienced worldwide amongst them Enron and WorldCom (US), Marconi (UK), Royal Ahold (Netherlands) and Golden Quadrilateral (India) despite worthy leadership practices (McConvill, 2012; Mostovicz & Kakabadse, 2011). On the contrary, an effective leader can be perceived as being a formidable catalyst for management growth and a consistent edge in enhancing performance of an organization (Kiawa et al., 2019). According to Wen, et al. (2019) the business environment of companies has become more competitive. They emphasize the significance of a manager's leadership style in driving employee efficiencies and productivity.

In Britain, it was established that leadership is one of the key traits in steering an organization into a competitive advantage. The foremost concern for every leader is to enable organization's exceptional performance through effective planning and efficient implementation of strategies in order to attain competitive advantage over its rivals (Mubarak, & Yusoff 2019). A study by Bass and Stogdill on the structure of US forces right from 1965, established that three factors identified as the changing economic forces, technological innovation and increasing complexity of organizational manpower was affected by leadership practices. It is very much important for leaders to develop future visions and for motivating the members of the organization to achieve their visions. Moreover, leadership is said to be the interpersonal procedure where the manager has the purpose to influence and guide the employees for the attainment of an objective. The American Management Association defined leadership as the ability to direct action (implement business goals), ability to build trust and demonstrate personal accountability (fulfilling promises and commitments, accepting responsibility), ability to build teams (encourage cooperation and coordination within the work unit), capacity for flexibility and agility (modifying the individual's behaviour to changing circumstances and responding to change) (Addin, 2020). Additionally, Addin (2020) states that a leader should have ability to influence (using techniques that appeal to reason, values, or emotion to generate enthusiasm or commitment); ability to communicate (effectively convey ideas), and finally, ability to have self-confidence (having an accurate sense of one's abilities without being arrogant).

It could be argued that many organizations have closed down due to the absence of intellectual stimulation leadership whereas it could also be stated as an intense competition among industries due to the important fact that organizations need to be upgraded in leadership (Lewis University, 2020). Khan et al. (2020) state that an intellectual stimulation leader is a person, whose effort is to inspire and motivate the subordinates to embrace innovative technical approaches. Therefore, intellectual stimulation leadership is characterized by the empowerment of followers to recognize issues and potential resolutions being enhanced (Abu Orabi, 2019).

Arif (2018) studied in Asia and Pakistan and found that leadership which he defined as intellectual stimulation had an impact on organizational performance. According to Hosna et al. (2021), intellectual stimulation leaders motivate employees to achieve their maximum potential in the work environment. Leaders employ this strategy to cultivate employees' aptitude for identifying and seizing opportunities to enhance performance. It provides employees with a fresh perspective from which to consider and resolve any issue, whether it is old or new (Afsar et al. 2019). Within the realm of intellectual stimulation, a leader fosters individuals' endeavours to be inventive and creative by challenging presumptions, redefining challenges, adopting novel approaches to situations, devising and inventive resolutions to pre-existing issues (Habtoosh & Al-Qutop, 2019).

A study conducted in Indonesia by Sunaengsih et al. (2021) investigated the attributes of an intellectual stimulation leader. It was applied to higher education for lecturers employed at Indonesian higher education institutions and determined that greater emphasis must be placed on reducing penalties for errors made by subordinates and focusing on individuals. The findings revealed that lecturers used increasing intelligence, rationality, and through problem solving in practice of higher education management. While, on the other hand, Haseeb et al. (2021) looked at how brain stimulation affected the service industry in Karachi, Pakistan. The findings showed that intellectual stimulation has no impact on employee performance.

Studies done by Butera (2020) on the influence of intellectual stimulation attributes on the operational outcomes of ministries designated by the Rwanda government, showed that leaders who fostered intellectual stimulation saw a marginal improvements in organization performance. Further, Magasi (2021) studies on the relationship between performance and intellectual stimulation in Mwanza, Tanzania and Dar es Salaam's banking industry, revealed that intellectual stimulation demonstrated a moderate relationship to the performance of the banking industry. Gitu and Awuor (2022) investigated the influence of intellectual stimulation on the performance of Kenya Pipeline Company Limited, a company operating in the energy sector of Kenya. The findings showed that intellectual stimulation had a significant impact on the organizational performance of KPC Limited.

Studies have been done on the influence of intellectual stimulation. However, the studies were done in different sectors such as education sector (Sunaengsih et al., 2021), the energy sector (Gitu & Awuor, 2022), Government Ministries (Butera, 2020), banking sector (Magasi, 2021) and service industry (Haseeb et al, 2021). From the foregoing, it can be established that several studies have been done on the influence of intellectual stimulation on performance, however, the studies revealed several gaps as they were done in different contexts and sectors, there were conceptual gaps, and even contradictory findings.

According to Hayat (2019), performance is the culmination of all organizational processes and activities; it is the outcome of an endeavour and the organization's activities that ought to be assessed and quantified by management in order to optimize the utilization of the company's resources and assets.

Supervisors monitor and assess performance due to the fact that it signifies the delivery of exceptional value to customers. With regards to Water Service Regulatory Board (WASREB, 2022) the water sector has undergone several reforms, the latest being enactment of the Water Act 2016 which was operationalized in April 2017. The new

law aligned national water management and water service provision with the requirements of the Constitution of Kenya 2010, (WASREB, 2022). Despite these reforms, Ouko (2020) reported that the Water service companies were faced with myriad challenges that included a lack of enforcement of proper governance standards which is crucial to the stability of companies, underperforming in revenue collection by companies, and a lack of adherence to the tariff condition on the remission of levy provided in the approved tariff.

The greatest concern in theoretical literature is the absence of extensive empirical evidence that intellectual stimulation has on organizational performance, (Archwell et al., 2021). Therefore, this study aimed to bridge the identified gaps by answering the question does intellectual stimulation influence the performance of water service companies in the Western Region, Kenya?

1.1 Statement of the Problem

Over the past decade, the Republic of Kenya in East Africa has made significant political and economic reforms that have contributed to sustained economic growth, social development and political stability gains. Despite this progress, access to piped water remains low, reaching only 33% of the population (60% in urban and 22% in rural areas) (World Health Organization (WHO)/United Nations Children's Fund (UNICEF), 2020). As a water-scarce country, with one of the lowest freshwater replenishment rates in the world (647 m^3 per capita, which is below the global benchmark of 1,000 m^3 per capita) and approximately 80% of land mass classified as arid and semi-arid, Kenya has uneven availability of water in different parts of the country (Marigi 2019; KIPPRA 2021). Ouko (2021) noted that key strategic issues that the water service companies have failed to realize include governance that embrace good stewardship, ethical conduct, transparency of resources and accountability of financial resources.

Studies have been done on the influence of intellectual stimulation. However, the studies were done in different sectors such as health sector (Chebon et al., 2019), and food industry sector (Habtoosh & Al-Qutop 2019), Further the studies focused on employee performance (Change, 2019 & Magasi 2021), organizational innovation (Butera, 2020 & Haseeb et al., 2021). While others, such as (Alsayyed et al., 2020) and Okoli et al., 2021) as the dependent variable thus providing a conceptual gap. The greatest concern in theoretical literature is the absence of extensive empirical evidence that intellectual stimulation has on organizational performance (Hosna et al., 2021). Additionally, there are conflicting findings in regards to the effect of intellectual stimulation as (Chebon et al., 2019) established that specific leaders may utilize antiquated and inappropriate methods to address contemporary issues and Haseeb et al. (2021) found that intellectual stimulation discourages employees to engage in independent thought and to solve problems with precision. Therefore, the current study aimed to bridge the identified gaps by answering the question does intellectual stimulation influence performance of water service companies in the Western Region, Kenya?

1.2 Research Objective

The purpose of the study was to analyse the influence of intellectual stimulation on performance of water service companies in the Western Region, Kenya

1.3 Research Hypothesis

H_{01}: Intellectual stimulation has no significant influence on performance of water service companies in Western Region, Kenya

II. LITERATURE REVIEW

2.1 Theoretical Review

Intellectual stimulation researchers have closely associated this leadership style with well-known proponents of institutional theory who posit that the performance and conduct of employees are intrinsically linked to the organization's innovation and its structures during a specified period (Franco, 2020).

2.1.1 Institutional Theory

This study was underpinned on the institutional theory formulated by DiMaggio and Powell (1983). The theory posits that contemporary organizations are highly influenced by their environments, which in turn significantly impact the formation of formal organizational structures. The theory places emphasis on the influence of economic and social forces on the systems and structures of an organization (Franco, 2020). Previous scholars of institutional theory (Greenwood et al., 2008), Suddaby et al. (2010), Berry (2010), Spicer, Alvesson, and Hallet (2019), and Munir (2020), were intrigued by the analysis of organizational structures and processes that improved the performance of the organization but served no economic or technological function. While academicians may differ in the extent to which they emphasize organizational components and the complexity of their analyses, all knowledge that governs social

behaviour and the resources associated with it, as outlined in policies, rules, and regulations, is shared (Aksom & Tymchenko, 2022).

While an effort was put forth to examine these institutional factors, Aksom and Tymchenko (2022) contend that the focus should be on the institutional system as a whole, as the origins of institutionalized rules, standards, and norms are not centralized but rather originate from various environments influenced by distinct actors such as intellectual stimulation. This transition is accompanied by additional changes, including cultivating employees' aptitude for identifying and seizing opportunities to enhance performance.

According to Franco (2020), institutional research ought to prioritize instances of significant, profound, field-level deviations rather than merely incremental variations. The innovation of how organizations become institutionalized should be a greater emphasis of institutional theory than the effects of institutionalization. This method is described in the work of DiMaggio and Powell (1983). The phenomenon of variations leading to similarities can be elucidated using isomorphic change theory. This theory identifies three distinct forms of institutional pressures: coercive isomorphism, which stems from the influence of politics and legality and is frequently communicated through policies, rules, procedures, principles, and the endorsement process; normatic isomorphism, which pertains to professional standards; and mimetic isomorphism, which involves imitation or replication of behaviours that originate from the endorsement process. Institutionalization can only compel organizational compliance via technological transformation, which alters the economy, so as to secure legitimacy, stability, resources, and survival. It has been postulated that institutional factors such as intellectual stimulation may significantly influence organizational performance. As Nodland and Bergsgard (2020) elucidate, elements including structure, culture, technological capability, rules, procedures, and strategy are crucial determinants of organizational performance.

Also, literature misses a link between intellectual stimulation and organizational performance (Archwell & Masonn et al., 2021). And based on the aforementioned, institutional theory furnished a practical framework for examining inquiries pertaining to the interplay between intellectual stimulation, as well as their application in the evaluation of organizational performance of water service companies in Western Region, Kenya.

2.2 Empirical Review

2.2.1 Intellectual Stimulation and Performance of Organization

According to Alsayyed et al. (2020), a leader inspires his followers to think innovatively and creatively by utilizing intellectual stimulation and prioritizing problem-solving based on logical reasoning before taking action. Furthermore, intellectual stimulation entails presenting the participants with the challenge of developing original and unique problem-solving strategies. This relates to the ability of the leader to support employees in developing autonomous assessments and reassessing established approaches in an innovative manner.

Haseeb et al. (2021) looked at how brain stimulation affected the service industry in Karachi, Pakistan. To determine the reliability of the questionnaires, a quantitative approach was utilized to select participants from the service sector workforce in Karachi, Pakistan, employing snowball sampling. The evaluation of the employed hypotheses was conducted using Smart-PLS. Intellectual stimulation was found to have no significant impact on employee performance. The findings suggest that intellectual stimulation encourages employees to engage in independent thought and solve problems with precision. This process entails utilizing the cognitive capacities of personnel to empower them to assess their work obligations via autonomous reasoning.

Hosna et al. (2021) defines intellectual stimulation as a constituent element of the transformational leadership style, wherein leaders motivate employees to achieve their maximum potential in the work environment. Leaders employ this strategy to cultivate employees' aptitude for identifying and seizing opportunities to enhance performance. The leader fosters an environment that promotes innovation and tolerance for errors; this is known as intellectual stimulation (Bass & Avolio, 1997). Intellectual stimulation motivates individuals to reconsider previously unquestioned notions, and it enables leaders to approach problem-solving from diverse perspectives, thus facilitating a more comprehensive analysis of the issues at hand. In addition, by stimulating the intellect, leaders have the ability to propose novel approaches for accomplishing tasks. One of the critical elements of intellectual stimulation leadership is that it has a significant impact on the performance of an institution (Habtoosh & Al-Qutop, 2019).

This study assessed intellectual stimulation by evaluating the decision-making abilities, creativity, and capabilities of employees. The term "employee capabilities" pertains to actions that motivate workers by reorienting problems, fostering the development of creative and original ideas, and subsequently approaching enduring situations from fresh perspectives. While emphasizing the importance of problem-solving abilities and the application of logic, decision-making referred to novel modes of thought that challenged conventional beliefs, assumptions, and practices. Rational thought and conventional intelligence were definitions of creativity (Okoli et al., 2021).

One potential disadvantage of intellectual stimulation is that it could lead to the formation of excessively specialized staff who lack the adaptability to explore cross-functional prospects within the organization, thereby compromising the effectiveness of the systems. This phenomenon can be explained by the fact that specific leaders

may utilize antiquated and inappropriate methods to address contemporary issues (Chebon et al., 2019). The present study employed a positivist research methodology to investigate the correlation between intellectual stimulation and performance of water service companies in Western Region Kenya.

2.3 Organizational Performance

Organizational performance is the level of effectiveness and efficiency with which an organization achieves its objectives, goals, mission, and vision. Within this context, several key performance indicators are used to evaluate the organization's effectiveness and efficiency which are financial and non-financial indicators. Organizational performance is a sign of the capacity of a company to effectively achieve independent goals (Aghahowa, 2021). Organizational performance enables organizations to achieve their objectives through high profits, market share, and superior product quality in relation to the productivity of employees who are appraised in terms of profits, revenue growth, and innovation. Organizational performance is used to quantify the employee's contribution to the organization's revenue growth in relation to work standards and the overall return on investment for personnel in accomplishing objectives. Performance was evaluated in this study using both financial and non-financial metrics.

Accordingly, performance was evaluated in this study using financial metrics. The financial indicators included revenue growth (profits) and costs which were return on investment, return on assets, and return on equity (Kaplan & Norton 1992). The financial performance of water service companies is typically assessed using historical accounts obtained from secondary sources. The assessment of client satisfaction was conducted utilizing the financial metrics. It was linked to the productivity, efficiency, communication channel effectiveness, and technology utilized in value chain management to help organizations accomplish their corporate objectives.

Therefore, it is imperative that this study investigate intellectual stimulation within the framework of how employees' capabilities can foster creativity, facilitate decision-making and affect organizational performance. From the foregoing empirical review, it can be established that several studies have been done on the influence of intellectual stimulation on performance however the studies were done in different country, contexts and sectors therefore, this study aimed at filling the identified gaps.

III. METHODOLOGY

This research study was anchored on study area, research design, target population, sample size and sampling procedure, data collection instruments and procedures, reliability and validity, data processing and analysis.

3.1 Study Area

The study was conducted in five counties of Kakamega, Bungoma, Vihiga, Busia and Trans-nzoia. These counties were selected as study area as they serve the five counties in the former larger Western Region, Kenya where the Water service companies of Nzoia, Kakamega water service, Amatsi and Lake Victoria North Water Works Development Agency are located and who are the engines to ensure the performance of the Water Service Providers (WSPs) is on the right trajectory towards achieving universal access by 2030 (Impact, 2022).

3.2 Research Design

The study utilized a descriptive and correlational research design to gather data on the current conditions of occurrences with respect to the variables or circumstances in a given situation (Jackson, 2020). A correlation states that two or more variables are related. In this investigation, Correlational design was utilized to determine which variables are related. Creswell and Clark (2020) define correlational research as an overarching research methodology that places emphasis on the identification of co-variation between variables that occur together. In other words, the researcher elucidated the correlation between the independent and dependent study variables, with intellectual stimulation constituting the autonomous variable.

3.3 Target Population

The study targeted 638 workers comprised of 97 top level managers, 149 technical staff, 392 support staff from four water service companies of Lake Victoria North water works Development Agency, Nzoia water service company, Kakamega water Service Company and Amatsi water service company.

3.4 Sample Size and Sampling Procedure

The population was divided into three strata. These were a particular cohort of possible participants that the researcher reached out to, and reflected the characteristics of the target population (Casteele & Bridier, 2021). The sample size of 245 was attained using Yamane’s formula (Adam et al., 2020).

$$n = N / [1 + N (e)^2]$$

Where:

n = the sample size
N = the finite population
e = the level of significance or limit of tolerable error
1 = unit or a constant

Using Yamane's Formula:

$$638/[1+638\ (0.05)^2]= 638/[1+638\ (0.0025)]= 638/[1+1.60]= 638/2.60= 245.3846 \cong 245$$

Sample size is 245= 38% of the target population.

On sampling procedure, the study sampled population by stratified and non-probability sampling technique known as purposive sampling to ensure that each member of the sampled had an equal chance of being chosen.

3.5 Data Collection Instruments and Procedures

For data collection, structured questionnaires were employed (Kumar, 2020). A pilot study was done in Siaya-Bondo Water and Sanitation Company Limited where 20 members of staff from different categories were selected (Mugenda & Mugenda, 2008). The research employed a structured questionnaire, which was devised in accordance with the study's objectives, in order to gather data from the participants. The surveys were distributed to senior executives, as well as technical and support personnel. The utilization of a five-point Likert scale (1-5) was implemented in order to reduce the likelihood of queries being misunderstood and to facilitate respondents' responses. The questionnaires were delivered using the drop and select method, with the help of three study assistants. According to Cooper and Schindler (2020), self-administered research methods are particularly suitable when it is critical that participants have sufficient time to thoughtfully contemplate their responses, as is the case in this particular research study.

3.6 Reliability and Validity

Internal consistency reliability was assessed in this investigation through the utilization of Cronbach's Alpha test. The variables, according to Bryman and Bell (2022), range from zero to one, with zero signifying absolute internal reliability and one representing flawless reliability. A level of internal reliability deemed acceptable (satisfactory) is commonly established at 0.80 which was achieved by this study. For validity, content, construct and face validity were employed. According to Dawadi et al. (2021) the content validity of the instrument was ascertained through the consultative assessment and evaluation of experts by the researcher. For evaluation purposes, the survey was distributed to supervisors, peers specializing in strategic management, and industry experts in the field of strategic management (Surucu, 2020). In order to ascertain construct validity, the statement that made the greatest contribution to the independent variable and the relationship that informed the primary study subjects regarding the existence of the constructs were examined. Face validity was employed to assess the instrument's consistency between respondents who completed it and those who initially selected it.

3.7 Data Processing and Analysis

The questionnaires that were obtained from the participants underwent a thorough examination to ascertain their accuracy and completeness. The data that were gathered underwent a process of cleansing, coding, and analysis using Statistical Software for Social Science (SPSS) version 23. For data analysis descriptive statistics such as frequencies, percentage, mean and standard deviation were used (Al-Ali et al, 2021). While for inferential statistics Pearson's correlation and simple linear regression analysis were utilized. Results were presented in form of tables. The following simple linear regression model was used:

$$\mathbf{Y = \beta_0+\beta_1 x_1+ \varepsilon} \quad \text{..... Model 1}$$

Where:

Y	=	Dependent variable (Performance of water service companies)
$\boldsymbol{\beta_0}$	=	Constant
$\boldsymbol{\beta_1}$	=	Coefficient
$\mathbf{X_1}$	=	Independent variable (Inspirational Motivation)
$\boldsymbol{\varepsilon}$	=	Error Term

IV. FINDINGS & DISCUSSION

4.1 Descriptive Analysis Results

The descriptive statistics results data is presented in terms of frequencies, percentage, mean and standard deviation.

4.2 Intellectual Stimulation

Respondents were requested to indicate their level of agreement by ticking the given statement on intellectual stimulation. The results are as shown in Table 1.

Table 1

Descriptive Analysis results for Intellectual Stimulation

No.	Intellectual Stimulation	Percentage (Frequency)					Mean	SD
		1	2	3	4	5		
1	Employees are periodically given leadership roles where they are allowed to make important decisions	7 (3.4%)	11 (5.3%)	33 (15.9%)	92 (44.2%)	65 (31.3%)	2.05	0.99
2	In my organization employees participate in decision making	4 (1.9%)	19 (9.1%)	46 (22.1%)	91 (43.8%)	48 (23.1%)	2.23	0.97
3	In my organization leaders rely on personal judgement in making important decisions	15 (7.2%)	32 (15.4%	43 (20.7%)	78 (37.5%)	40 (19.2%)	2.54	1.17
4	My supervisor appreciates creativity and innovation of ideas coming from employees on how to make our organization succeed	2 (1.0%)	11 (5.3%)	37 (17.8%)	82 (39.4%)	76 (36.5%)	1.95	0.92
5	My supervisor encourages imagination and creativity of workers	6 (2.9%)	11 (5.3%)	39 (18.8%)	87 (41.8%)	65 (31.3%)	2.07	0.99
6	Leaders in my organization encourages innovative thinking by employees that benefits our organization	4 (1.9%)	15 (7.2%)	38 (18.3%)	89 (42.8%)	62 (29.8%)	2.09	0.97
	Aggregate Scores						**2.15**	**1.00**

Note: 1.00-1.49=strongly disagree, 1.50-2.49=disagree, 2.50-3.49=neutral/undecided, 3.50-4.49=agree and 4.50-5.00=strongly agree

The aggregate mean and standard deviation (M=2.15, SD=1.00) indicated that most responses disagreed that employees in the water service companies are not given decision making and creativity roles, hence intellectual stimulation have no significant influence to the performance of water service companies. The outcome shows that responses did not deviate far from the aggregate standard deviation (SD=1.00). This implied that majority of the respondents were of the same observation about intellectual stimulation having an effect on the performance of water service companies. The responses from the open-ended questions further indicated that there is proof of intellectual stimulation being applied in different other forms which positively increase organizational performance. These results align with the research conducted by Habtoosh and Al-Qutop (2019) which suggests that intellectual stimulation is where the leader stimulates peoples' efforts to be innovative and creative.

4.3 Organizational Performance

Respondents were asked to indicate their level of agreement for statements on organizational performance. The results are shown in Table 2.

Table 2
Organizational Performance

No	Organizational Performance	Percentage (Frequency)					Mean	SD
		1	2	3	4	5		
1	Cost minimization has greatly been enhanced in my organization through strict monitoring	2 (1.0%)	13 (6.3%)	44 (21.2%)	85 (40.9%)	64 (30.8%)	2.1	0.9
2	In my organization we consciously manage costs to make services more affordable	4 (1.9%)	15 (7.2%)	45 (21.6%)	87 (41.8%)	57 (27.4%)	2.1	1.0
3	Enhanced efficiency and coordination of services have contributed to cost reduction in my organization	4 (1.9%)	11 (5.3%)	45 (21.6%)	99 (47.6%)	48 (23.1%)	2.2	1.1
4	In my organization departmental revenue collection set targets is achieved	4 (1.9%)	18 (8.7%)	43 (20.7%)	84 (40.4%)	59 (28.4%)	2.2	1.0
5	In my organization employees and creditors are timely paid	14 (6.7%)	35 (16.8%)	47 (22.6%)	76 (36.5%)	36 (17.3%)	2.6	1.2
6	My organization has realized improved level of revenue in the last one year	9 (4.3%)	24 (11.5%)	39 (18.8%)	87 (41.8%)	49 (23.6%)	2.3	1.1
	Aggregate Scores						**2.20**	**1.00**

The aggregate mean and standard deviation was (M=2.2, SD=1.0). This indicated that most responses disagreed that cost minimization had greatly been enhanced in the organization through strict monitoring and also consciously managing costs to make services more affordable. The outcome shows that responses did not deviate from the aggregate standard deviation of (SD= 1.0). This implied that majority of respondents were of the same observation about organizational performance having a positive effect on performance. The responses from the open-ended questions further indicated that there is proof of organizational performance being applied in different other forms which positively increases performance. These findings are in agreement with those of Oliveira, et al (2021) who noted that performance can be evaluated in the aspects of financials that include costs and revenue growth. And, according to Bratianu (2019) financials indicators of cost and revenue growth have registered significant improvements in the organizational performance.

4.4 Inferential Statistics Results

The study carried out inferential statistics variables using correlation and regression analysis

4.5 Correlation Analysis

A Pearson Moment Correlation coefficient was calculated to assess the intensity of the association between intellectual stimulation and water service company performance.

Table 3
Correlation Analysis Results for Intellectual Stimulation on Performance of Water Service Companies

		Intellectual Stimulation	Organizational Performance
Intellectual Stimulation	Pearson Correlation	1	
	Sig. (2-tailed)	.000	
	N	208	
Organizational Performance	Pearson Correlation	.550**	1
	Sig. (2-tailed)	.000	.000
	N	208	208

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

The findings in Table 3 showed that intellectual stimulation 0.550 is positively and statistically significantly correlated to performance of water service companies. These findings are contrary to those of Haseeb et al. (2021) that found that intellectual stimulation was not significant to employee performance. Subsequently, the findings of studies of Change and Chebon (2019) found that intellectual stimulation is positively correlated to performance.

4.6 Regression Analysis Results

Simple linear regression analysis was done to test the influence made by intellectual stimulation on organizational performance. The regression was to check whether or not there exist a relationship of interest between

the variables (Iqbal, 2021), consequently this was important in determining how well intellectual stimulation could predict performance of water service companies in Western Region, Kenya.

Table 4

Regression Analysis Results for Intellectual Stimulation on Performance of Water Service Companies

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.550[a]	0.302	0.299	0.6653

ANOVA						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	39.476	1	39.476	89.187	.000[b]
	Residual	91.18	206	0.443		
	Total	130.656	207			

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	0.974	0.142		6.856	0
	Intellectual stimulation	0.589	0.062	0.55	9.444	0

a. Dependent Variable: Organizational Performance

Based on the regression coefficient results, simple linear regression model equation was:

Organizational performance = 0.974 + 0.589 Intellectual Stimulation + ε

From simple linear regression, model summary findings on intellectual stimulation indicated that 30.2% (R^2=0.302) of variation in performance of water service companies in Western Region, Kenya significantly accounted for by intellectual stimulation (p=0.000). When other variables in the model are controlled, a unit change in intellectual stimulation would result in a significant increase in the performance of water service companies in Western Region, Kenya by 0.589 units ($\boldsymbol{\beta_1}$ = 0.589, p= 0.000). Thus, the null hypothesis that intellectual stimulation has no significant influence on the performance of water service companies in Western Region, Kenya is rejected, as intellectual stimulation positively and significantly impacts organizational performance. These findings align with previous studies conducted by Habtoosh and Al-Qutop (2019) in Amman Stock Exchange in Jordan, Butera (2020) government listed ministries in Rwanda, Magasi (2021) banking sector employees in Dar-es salaam and Mwanza cities in Tanzania and Change (2019) on employee engagement in energy sector in Kenya. In contrast, a study conducted by Haseeb et al. (2021) in the service sector of Karachi, Pakistan revealed that there was no statistically significant evidence of intellectual stimulation. Overall, the results confirmed that intellectual stimulation through the dimension of decision making and creativity collectively enhanced performance of water service companies in Western Region, Kenya and this relationship was significant.

V. CONCLUSIONS & RECOMMENDATIONS

5.1 Conclusions

The study found that intellectual stimulation has significant positive influence on performance of water service companies in Western Region, Kenya ($\boldsymbol{\beta_1}$ = 0.589, t = 6.856, p= 0.000). This implies that increase in intellectual stimulation would result in increase in performance of water service companies in Western Region, Kenya. Intellectual stimulation leadership practices were mainly characterized by important decision making, creativity and innovations.

5.2 Recommendations

The study recommends that intellectual stimulation leaders should develop employees periodically by giving leadership roles where they can be allowed to make important decisions. Secondly, employees be able to participate in decision making as leaders, hence relying on personal judgement in making those important decisions. Furthermore, leaders should appreciate creativity and innovation of ideas from employees on how to make organizations succeed.

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