EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL COMPETITIVENESS OF SUGAR FIRMS IN KENYA.

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DECLARATION

This research project is my original work and has not been presented for examination to any other university.

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This research project has been submitted for examination with my approval as University Supervisor

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DEDICATION

I dedicate this project to my parents and my son for their unwavering support throughout my academic life and to my sister Jacky who have remained to be an inspiration in my life. The project is also dedicated to my friend Adema whose love and moral support has kept me going through the challenges I had to beat in working on this project.

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ABSTRACT

Several researchers argue that the best methodology to attain organizational effectiveness is through the organizations being effective in strategy implementation processes. An effective strategic implementation provides an organization with a competitive edge and the implementation should be through the resolutions and actions of the firm' strategic leaders. This study sought to determine the effect of strategic leadership on organizational competitiveness of sugar firms in Kenya. The variables of the study leadership style, ethical issues, organizational culture and effective resource management. Three theories anchored this study; contingency theory, resource-based view (RBV) and upper echelons theory. The study adopted a descriptive research design and use questionnaires in conducting data collection. The research' target population comprised of all managers in the thirteen operational sugar firms in Kenya; 60 departmental managers from all the firms were selected using a convenient sampling method and used as respondents. Descriptive analysis was used to describe the effect of leadership style, ethical issues, organizational culture and effective management of organizational resources on organizational competitiveness in the Kenyan sugar firms. The nature and strength of association between the explanatory and dependent variables (organizational competitiveness) will be determnined by correlational and regression analyses methods. The research established that the assessed strategic leadership component; leadership style, ethical issues, organisational culture and effective organisational resource management, significantly impact the competitiveness hence the overall performance of organisations within the sugar sector in the country. Aligning an organization' leadership style to its transforming business environment enhances its effectiveness while improved organisational ethics enhance service delivery, employee efforts, reduced staff turnover, improved organizational commitment and social responsibility. Competiveness in the industry can also be attained through effective management of organisational human capital which is viewed as a key resource and by adopting a corporate culture that stress on all the key managerial constituencies within an organisation.

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LIST OF ACRONYMS AND ABBREVIATIONS

CEO	Chief Executive Officer
COMESA	Common Market for Eastern and Southern Africa
GDP	Gross Domestic Product
HRM	Human Resource Management
KESREF	Kenya Sugar Research Foundation
KSB	Kenya Sugar Board
RBV	Resource-Based View
RM	Resource Management
SF	Sampling Fraction
SMEs	Small and Medium Enterprises

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Among the key areas of interest among theorists and practitioners within contemporary organizations is the aspect of organizational effectiveness (Ahmad, Kadzrina &Yen, 2016). Several researchers argue that the best methodology to attain this is through organizations being effective in implementing their strategies (Sharbat & Fuqaha, 2014; Wheelen & Hunger). An effective strategy execution usually entails the daily allocation and management of organizational resources (Ali & Hadi, 2012). Masungo et al. (2013) argued that for the competitiveness to be attained, well-articulated leadership that drives the firm' objectives should be put in place. However, according to Thompson (2004), the concept of strategic leadership picks a top- down structure and is anchored on organizational vision which emanates from the leader who acts as a change agent to assess the condition and then resolve among a number of ways to execute so as to have things done in obtaining the targeted results that include competitiveness hence performance.

According to Safarzadeh et al. (2015), one of the organizations' key internal competitive superiorities is its adopted leadership style. Generally, strategic leadership has to a great extent been viewed as common and visible leadership styles that bears an effective and key role in attaining competitiveness in an organization (Yazdani, 2009). Strategic leadership, is hugely seen to be among the significant influencers of effective strategy execution (Josste & Fourie, 2009). Notwithstanding, a lack of strategic leadership within the lead management of institutions has been presented among the key hindrances to effectively execute strategy hence an organization' overall performance (Josste&Fourie, 2009 and Hrebiniak, 2008). In general, the duty of strategic leadership is important to the overall success of the organizations through ensuring effective management of the organization' resources (Razak, 2010).

A number of researcher reveal that the sugar industry in Kenya experiences a number of challenges that include intense internal industrial competition and external competition that emanate from the importation of cheap sugar from other sugar manufacturing countries within the continent (Nthenya, 2016), inefficient processing of sugar that results to high cost of sugar, poor infrastructure and organizational leadership (Mauborgne & Kim, 2015). According to a 2012 report by the Kenya Sugar Board, the Sugar industry in the country suffers from a lack of effective leadership that would facilitate the implementation of its strategies. An assertion by Mauborgne and Kim further indicated that the industry therefore calls for the adoption of strategic leadership, which enables the sector enhance its overall performance.

1.1.1 Strategic Leadership

Kjelin (2009) defined strategic leadership as an organization' ability to project, picture and sustain flexibility, and empower its employees in creating strategic chances hence a viable future of the firm. Hence, strategic leadership entails the capability of an organization' management to develop and re-affirms reasons towards the firm' continual business existence (Pearce & Robinson, 2007). The researchers further add that the leader needs to have the ability to assess how the firm is continuously adding value to its stakeholders while also evaluating changes within and outside the firm that may present any form of threat. Generally, strategic leadership entails organizational management through their subjects and assists businesses survive through transformations that appear to be highly unpredictable in the current globalized business environment (Ahmad et al, 2016).

Hitt, Ireland and Hoskisson (2007) pointed out a number of activities and aspects that describe strategic leadership which positively contribute to effective organizational strategy execution. They include; identification of the strategic direction to be pursued, setting organizational controls, effective management of the organization' resources, sustaining an efficient organizational culture and stressing on ethical practices. Strategic leaders are critical in all these strategic actions (Ahmad et al., 2016). As a result, each of these strategic leadership activities enhances strategy implementation. Therefore, Glantz (2002) emphasizes on organizational leaders to establish an effective leadership style.

1.1.2 Organizational Competitiveness

Organizational competitiveness is defined by Ahmad et al., (2016) as the attainment of common competitive priorities in relation to its competition. Various measures have been published by different researchers as parameters of measuring competitive performance within organizations. The most commonly cited measures of assessing competitiveness include cost, quality, flexibility and delivery (McKone et al., 2001; Phan, Abdallah& Matsui., 2011). In addition to these measures, Phan et al. (2011) adds “on time product launch” because of its criticality in explaining competitive performance of organizations. Cost performance can be measured in relation of the unit cost of manufacturing while quality performance measured using product capability and performance. On the other hand, flexibility performance is determined using flexibility to change the product mix and delivery performance is established by measuring the organization’ on time delivery performance.

Many firms are struggling to stay afloat and have to deal with a number of challenges, key challenge being increased industrial competition and having to operate in tough economic conditions characterized by increased inflation rates, high bank interest rates, and high volatility in the currency exchange rates (Porter & Teisberg, 2006). The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations which are unprepared or unable to respond (Burnet, 2010). Because of these changes, organizations need to align their management practices with the changing environment and focus on their customers and products development as well as managing a culture of management commitment. According to Burnet (2010), organizations that well interact with their business environment have a higher chance of survival and register competitive performance.

1.1.3 Sugar Industry in Kenya

Agriculture remains the most dominant sector in the country’s economy despite the fact that most of its land parcels receive inadequate rains. According to KESREF (2009), the Kenyan agricultural sector accounts for up to 26% of the total country’ Gross Domestic Product (GDP) while up to 27% is indirectly linked agriculture-based and associated industries. The country' agricultural sector takes in over 50% of the total labor force in the country and mainly made up of small scale farmers who produce up to approximately 75% of the country' cumulative agricultural output. The sugar sub-sector acts as a source of livelihood for more than 250,000 farmers who engage in small scale farming in the country (KSB, 2013). According to Nyoro (2012), in order to improve the country' economic growth and development, it is therefore critical to enhance agricultural productivity within the country.

Sugar cane, as a cash crop, is mostly grown in the western region of the country which are former western and Nyanza provinces. The cash crop is however also cultivate in parts of Rift-valley region; Nandi, Kericho and Narok, and Coast regions in areas such as; Kwale and Tana-River. The Kenyan sugar industry boosts of eleven operational sugar factories that include Chemelil Sugar, Kibos Sugar and Allied, Mumias Sugar, Nzoia Sugar, Sony Sugar, South Nyanza Sugar, Sukari Industries Limited, Transmara Sugar, West Kenya Sugar, Butali Sugar and Muhoroni Sugar Factories. Muhoroni sugar factor is however under receivership currently. With all the importance that the industry bears towards the Kenyan economy, the industry has continued to struggle hence registering dismal perform that has further resulted to persistent production deficits. The poor performance of the industry puts the livelihoods of more than 250,000 small scale farmers at a place of un-certainty since they depend on the sector. Reduced productivity in the sector is linked to several factors including inadequate supply of sugar cane to factories; cane poaching; low levels of capacity utilization and poor organizational strategies that includes lack of technological progress, poor management and insufficient marketing strategies (KSB, 2011).

1.2 Research Problem

According to Breene and Nunes (2006), the role of strategic leadership is fundamentally critical to the competitiveness and general success of firms. Leadership within various organizations have to deal with a number of challenges as a result of bureaucratic organizational leadership styles, non-result based HRM culture and poor innovative management practices which further influence the performance of the organizations (Katee, 2013). Nonetheless, lack of strategic leadership within an organization' top leadership has been pointed to be among the main inhibitors to organizational competitiveness (Hrebiniak, 2005). In the recent years, the sugar industry in Kenya has registered an intense competition both from within and without the country that can be attributed to the illegal importation of cheap sugar into the country (Nthenya, 2016), inefficiency in sugar production (Omolo, 2010), poor infrastructure and organizational leadership (Mauborgne& Kim, 2015). Despite the existence of a developed strategic plan, the sugar industry in Kenya still lacks effective leadership to spearhead the implementation of this plan (Mwanje, 2016). This awakes the need for organizations to adopt strategies that include strategic leadership, that best align with the organization' available resources and capabilities so as to enhance competitiveness hence overall organizational performance.

Although, studies have been undertaken addressing sugar industry problems in Kenya, there is an apparent limited literature on the effect of strategic leadership on the competitiveness of the sector in country. The theoretical studies and empirical studies on strategic leadership have mostly been conducted in the developed economies (Funda & Cihan, 2014) and in other sectors other than the sugar sector (Kathee, 2013; Nthenya, 2016). The current existing literature provides general recommendations on other management associated factors other than those addressed in the current study. Other studies such as the one conducted by Mithat, Tuba, Pinar and Esra (2011) have only focused on the relationship between strategic leadership and financial performance, however, according to an argument by Qi (2010), an analysis of a firm's performance based on financial outputs alone is not sufficient since the firm' environment in which it operates is ever changing and is also influenced by aspects such as strategic leadership. It is therefore imperative that this study addresses the effect of strategic leadership on organizational performance of the sugar industry in Kenya, while addressing issues such as organizational leadership style, ethical issues, organizational culture and effective management of organizational resources as aspects of strategic leadership, so as to bridge the current knowledge gap.

1.3 Objective of the Study

The objective of the study was to determine the effect of strategic leadership on organizational competitiveness of sugar firms in Kenya.

1.4 Value of the Study

The findings of the study provide various organization' management and industry regulators with relevant information that will facilitate policy making and strategy development within the sugar industry that further seek to enhance the performance of the entire industry. Investors are also provided with information on how to distribute their portfolio in order to enhance their returns through basing their decisions not only on economic but also on ethical concerns related to leadership. Lastly, the findings from the research enrich the argument on strategic leadership and also contribute towards the current existing theories and literature relating to strategic leadership and organizational competitiveness, especially within the sugar industry in Kenya through addressing the aspect of leadership style, ethical issues, organizational culture and resource management. The findings also provide reference information to researchers who seek to expound on the concept of strategic leadership and the sugar industry' competitiveness.

CHAPTER TWO

LITERARTURE REVIEW

2.1 Introduction

This chapter covers the discussions, based on the reviewed literature, on the effect of strategic leadership on organizational competitiveness of sugar firms in Kenya. The chapter is divided into the following sections; theoretical review; strategic leadership aspects relevant to the study that include leadership style, ethical issues, organizational culture and effective management of organizational resources; summary of empirical study and knowledge gap and conceptual framework.

2.2 Theoretical Review

The foundational theories upon which the concepts of this research are anchored include the contingency theory, upper echelons and the resource-based view (RBV) theory.

2.2.1 Contingency Theory

This theory is categorized under the behavioral theories and argues that there exists no one best method in leading, organizing or making decisions in a firm. Instead, the best action is contingent (dependent) on both external and internal factors. Woodward (1998) developed different contingency approaches in the late 1960s. History wise, this theory has continuously sought to establish wide generalizations relating to the formal structures that are basically linked with or best fit the utilization of varied technologies. This view emanated from the work by Woodward (1998), who argued that technologies directly influence the variations in such organizational characteristics including width of control, centralized authority and the formalization of procedures and regulations.

Contemporary management view/management approach points at adapting management behavior to specific circumstances within the organization and to every given condition. This view however is different from the single best way that the theorists in the classical management sought since they based their assumption on management principles being universal or applicable in all situations, without considering the organization's unique conditions. According to Woodward (1998), apart from disregarding the past management perspectives, the contingency theorists acknowledge any correct and applicable principles that facilitate managers to effectively manage. Specifically, theorists have applied this theory to management issues relating to leadership, making of decisions, organizational change and structure, motivation of employees, human resource management. This provides managers with a new set of methodologies to try which include situational leadership and participative work groups. Even though critics realize the benefits that accrue from applying management principles to individual circumstances, they also argue that the contingency theory does not provide useful generalizations for leaders to apply Barney (1985). The theory is relevant to the current study as it is directly linked to an organization' internal strategic leadership characteristics that influence its competitiveness. In relation to this research these characteristics include organizational culture, leadership style and ethical issues.

2.2.2 The Upper Echelons Theory

Researchers, up to 1990's have considerably differed on the effect of organizational leadership towards its performance. For instance, Hannan and Freeman (1997), who are among the opposers within organizational sociology argued that leadership behaviours had a lesser impact on the firm' performance compared to environmental or other internal factors within a firm, whereas proposers asserted that a leaders' attitude majorly impacted the results registered by an organization (Thomas, 1988). The mid 1980s however revealed a change from research on "supervisory" leadership (House & Aditya, 1997) to strategic leadership. This change gave rise to the upper echelons theory (Hambrick& Mason, 1984). The researchers further expounded an ambitious research perspective with a deeper assertion for strategic leadership (Hambrick& Mason, 1984) and labelled this the "upper echelons perspective". This greatly impacts our comprehension of a firm' processes and results (Finkelstein &Hambrick, 1996). With this theory enhancing knowledge in strategic leadership, the theory has been criticized for a lack of expounding on real strategic leadership characters and instead uses demographic measures to make inference on strategic leadership behaviour. Most of these findings are however based on Western economies which are highly developed. As a result, the degree of variation globally on the behaviour of strategic leadership still remains unknown and widely unexplored (Elenkov, Judge & Wright, 2005).

Giving room to skepticisms towards leadership, the theory also recognized that sometimes an organizational management is significant to business outcomes, and at some point, not at all – hence are often somewhere in between, depending on how much discretion or latitude of action they are afforded. The theory asserts that discretion exists when there exists no constraints in decision making and when many plausible alternative courses of strategic action. Being allowed less discretion, an organization' management is less likely to attain its original objectives and vice versa (Elenkovet et al., 2005). Summarily, this theory presents clear theoretical and avails several empirical arguments for the key responsibility of strategic leadership (Elenkov et al, 2005). Therefore, this theory is relevant to the study in that it argues for the role of strategic leadership in organizational performance. This is in line with the study's general objective of assessing the effect of strategic leadership on organizational competitiveness.

2.2.3 Resource-Based View Theory

The Resource Based View theory is a common theory in management science. The theory argues that a business can leap past its rivals by establishing resources which are unique and widely distributed (Barney, 1991). It further seeks to describe the association between business resources and attaining competitiveness (Fahy, 2000).This perspective of a business views the organization as a conglomeration of distinct productive resources that its management utilizes (Lockett &Wild, 2014). On the other hand, Wernerfelt (1984) asserted that the theory pictures an organization as a collection of assets or resources that are temporarily linked to the business' management. The resources include human resource, capital and land. According to Barney (1991), the resource-based view (RBV) of a business' performance is influenced by its particular resources and internal capabilities. The researchers add that businesses must have knowledge on their internal capabilities, since they are required to create strategies relating to outperforming competition with these capabilities.

The term resources in this theory implies a business' assets, leadership capabilities, organizational processes and attributes, information, knowledge, among others, controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness (Wiesbaden,2014). The business' existing resource base may influence the readiness of its leaders in working towards the growth of the organization. An organization' un-utilized resources motivate its managers to look for business opportunities to increase as they work towards putting these resources to productive use while exploiting economies of scale or size (Thompson & Wright, 2005). Wiklund, Davidsson and Delmar (2003) examined the attitude towards growth among business managers and concluded that an organization' management view relating to the aftermath of growth influences their decision to expand. Furthermore, the researchers also established that non-economic factors such as the well-being of human capital and the level of conduciveness of the working environment are more significant compared to the probability of individual economic performance. With the theory being based on an organization' competence on resource management and viewing leadership strategy as an organizational resource in order to attain competitiveness, the theory therefore anchored the study' objective of effective resource management, as an aspect of strategic leadership, in relation to competitiveness of the sugar firms in Kenya.

2.3 Strategic Leadership

A number of identifiable aspects that characterize strategic leadership and further impacting organizational competitiveness have been identified by different researchers (Kjelin, 2009). These aspects include effective management of organizational resources including developing human capital (Katee, 2013), enhancing an effective organizational culture (Katee, 2013), leadership style (Gardener, 2010) and organizational ethical issues (Witmmer, 2007). These aspect are reviewed below.

2.3.1 Leadership Style and Organizational Competitiveness

Funda and Cihan (2014) emphasized the importance of studying the relationship of strategic leadership and organizational overall performance. Finkelstein et al., (2009) described the scope of strategic leadership as including CEOs, business units heads, TMTs and boards of director. On the other hand, Hambrick (2007) has explained strategic leadership as being linked to the entire scope of strategic actions and resolutions of managers. Businesses and the environment they operate in have transformed speedily in the recent past and this has resulted to the need of a less bureaucratic but more democratic style of leadership so as to ensure improved organizational performance. A number of leadership styles that are relevant to strategic leadership and particularly address the leader’ behaviors were suggested by Funda and Cihan (2014). These behavioral based leadership styles include transactional, transformational and paternalistic leadership. However, Bass (1990) suggested that only two leadership approaches exist namely; transactional and transformational leadership. With organizations changing continuously their leadership, vision, mission, culture, structure, strategy, and human resource practices, new leadership perspectives has emerged that are categorized as charismatic, heroic, transformational or visionary leadership (Masungo, Marangu, Obunga and Lilungu, 2015).

According to Bass (2006), transactional leadership describes a leadership that is based on contingent reinforcement where a leader rewards or punishes those under him/her in relation to the adequacy of their output. The key impacting process in a transactional leadership model is mostly compliance where employees comply in order to gain reward escape punishment. These leaders aim their energies towards employees completing their task and compliance while depending on organizational rewards and punishments so as to impact employee performance (Bass and Avolio, 2000). Leaders who operate on a transactional leadership style therefore have to define and communicate the duties that must be executed and the rewards that the followers will receive for attaining the stated objectives (Meyer & Botha, 2000). This type of leadership style is therefore best suited for stable business environment that further have little competition (Howell &Avolio, 1993).

However, with increased competitiveness in business environments, it demands a fresh leadership style so as to enhance the continuity and performance of an organization. Transformational leadership type provides such enablement (Heyl et al., 2000). It targets change in an employee’ beliefs, values, needs and capabilities. Transformational leadership is described by Yukl (2002) as entailing the influence of huge transformation in attitudes and assumptions among an organization’ employees and establishing commitment towards the firm’s objectives. By increasing the degree of individual and group efficacy, this type of leadership enables the organization attain better performance through enhancing commitment levels among their employees (Yukl, 2002). Funda and Cihan (2014) assert that transformational leadership style gives rise to lower staff turn – over rates, improved productivity, satisfaction of employee and creativity and objective attainment. Aspects of transformational leadership include creating a strategic vision, communicating the vision, modeling the vision entails and building commitment towards the vision (Masungo et al., 2015).

2.3.2 Ethical Issues and Organizational Competitiveness

Integrity is key in developing a culture of trust within organizations (Masungo et al, 2015). O'Toole and Bennis (2009) argued that no organization can be depicting honesty with its external clients if it does not operate on honesty inside. Integrity enhances consensus through shared values that results into personal performance (Witmmer, 2007). Duggar (2009) asserted that an organization with a culture of integrity creates a highly rated work environment and a base for long term financial performance hence organizational competitiveness. Duggar further reported that a culture of integrity also positively impacts the association between an organization and its customers and other stakeholders. On the other hand, O'Toole and Bennis (2009) argue that it's critical to comprehend the vital links between organizational and personal integrity of an organization' employees such that the higher the integrity of an organization, the higher the integrity of its employees.

Ethics is defined as a system of doing right or wrong which facilitates strategic leaders in resolving when an act is socially acceptable or not (Conley, 2000). A leader's ethical orientation is generally viewed as a vital aspect in enhancing ethical behavior within employees of an organization. Leaders who generally reveal high degree of ethical standards end up being role models to those in the organization and improve its overall degree of ethical behavior. Generally, ethical behavior must begin with the leader before it is laid as a demand on the employee to behave ethically. Organizational ethics hence assist describe what a firm is and what it stands for (Soule, 2002). Thompson (2004) opined that a leader's ethical behavior results to a strong impact on an organization' performance, for good or bad. Strategic leaders are therefore required to take individual initiative in developing and enhancing ethical behavior in their various organizations.

An organization' counsel may be involve in undertaking the duty of designing and executing integrity strategies, but the firm' managers in all levels are engaged in the process of ensuring adherence. When integrated into the businesses' operations, the integrity strategies can assist the firm avoid damaging ethical mistakes, while taking advantage of the existing powerful human impulses towards moral thought and activities. Different research literatures on organization behavior has established a positive association between strong ethical organizational culture and organizational performance in relation to enhanced service delivery, improved employee efforts, reduced staff turnover, improved organizational commitment and improved social responsibility (Musango et al., 2015).

2.3.3 Organizational Culture and Organizational Competitiveness

Varied definitions of organizational culture have been given by different researchers including (Sudarsanam, 2010). According to Schein (1992), the variation may be attributed to the ambiguous state of the idea of the firm and the varied views relating to culture (Brown, 1995). Culture can however be described in an organizational set-up as the embodiment of its collective systems, beliefs, norms, ideologies and rituals. An organization' culture can be used to motivate people and become valuable source of organizational efficiency and effectiveness (Sudarsanam, 2010). It is difficult to change an organization' culture because it makes the base for the organization's management system (Denison, 1990), it gives meaning to the employees of the organization (Trice and Beyer, 1993) and outlives all physical attributes of an organization include products or services offered, founders and leadership (Schein, 1992). On the other hand, Mariama, Kofi and Wilberforce (2013) asserts that at a much higher level, culture implies values which are shared by individuals in a specific group set-up which also remain with time even if changes take place in the group' membership dynamics.

A number of literatures reveal a link between an organization's culture and its overall performance (Mariama et al., 2013). A firm' culture has a strong positive influence on its long-term economic performance (Kotter&Heskett, 1992). They established that organizations with cultures that stressed on all the key managerial constituencies that include customers, stockholders, and employees and leadership from managers at all levels, performed better than organizations that did not have such cultural traits to a huge margin. They further opined that organization culture was becoming clearer in establishing the success or failure of organizations in the next decade. A study by Denison (1990) assessed the relationship between corporate culture and organizational performance. The researcher established that a firm with a participative culture out performs those that adopt other organizational cultures. Without a business' outcome indicating an increase in competitiveness and much more enhanced long-term market position, the organization' continual growth is less encouraging and its capability to register a good economic performance is much lower. Generally, according to an argument by Denison and Fey (2003), the central aspect linked with organizational culture is linked to organizational performance.

2.3.4 Effective Organizational Resource Management and Organizational Competitiveness

Probably the greatest task for any strategic leaders is efficiently managing the organization' resources which can be grouped as financial, human and social capital and organizational culture (Barney and Arikan, 2001). Distefano and Maznevski (2003) further argue that establishing human capital is key to the effective execution of strategic leadership. A strategic leader should gain skills necessary to assist develop human capital in their various areas of responsibility. Grant (1996), asserted that core competencies are the resources and capabilities that facilitate an organization in gaining competitiveness. It was reported by McCauley and VanVelsor (2004) that an organization' management develop skills that facilitate them in accomplishing work in their organizational systems.

Organizations are made up of several subsystems that are required to work autonomously so as fulfill their general goals. According to Kathee (2013), good leadership skills include a number of competencies associated with the facilitation of daily work in organizations that include setting of goals and setting plans towards attaining the goals, monitoring growth, establishing systems, sorting problems and settling at resolutions. An argument by Nel (2008) confirmed that human capital is the cumulative knowledge and skills of a firm' entire workforce. The researcher adds that strategic leaders are therefore those who perceive an organization' staff as a key internal resource upon which several key competencies are established and by which organizational competitiveness are achieved successfully. Globally, significant investments in the economy is needed so that the organizations to obtain complete competitive benefit from its employees. These investments are key towards a robust long - term growth in modern economies that rely on knowledge, skills, and information (Nel & Beudeker, 2009). The researchers add that developing employees gives rise to a motivated and well knowledgeable workforce that has the capability of performing very well.

2.3.5 Strategic Leadership and Organizational Competitiveness

Generally, the idea of organizational performance is anchored on the concept that a firm is a non-compelled linkage of production resources that entail human capital, physical resources and financial capital, in the sole reason of attaining a shared goal (Barney, 2001). Those providing the various forms of assets will only commit them to the firm so long as they feel satisfied with the value they obtain in exchange, in connection to the alternative uses of the assets (Kathee, 2013). The researcher further argues that as a result, the essence of performance is value creation. On the other hand, the role of strategic leadership is fundamental to the performance and success of the organizations through ensuring effective management of the organization' resources (Razak, 2010). According to Gardner et al. (2010), this entails many leadership aspects such as visionary, motivator, enabler, facilitator, mentor and coach. In the start-up stage of a business the managing director or leader is attached to the responsibility of supplying the product or service, administration, management, sales and marketing (Finkelstein et al., 2009). However, as the business grows, it turns towards overall strategic direction and delegates part of the operational and technical decision making authority to other organization' staff.

The leader is also required to understand the important link between organizational capabilities and value creation, an association that greatly determines the degree of performance in business organizations (Breen & Nunes, 2006). Investing in training and leadership development so as to facilitate innovation and the growth of employee talent has been counted as an essential strategic focus within businesses that are reporting good performing (Nel & Beudeker, 2009). High organizational performance has been associated to well established organizational culture (Sudarsanam, 2010).There is also a clear association between the leadership's characteristics that include an organization's leadership style, ethical issues and efficiency in managing resources and the organisation' competitiveness hence its overall performance (Hambrick, 2007; Witmmer, 2007; Distefano & Maznevski, 2003). When the lead directors and other leaders in the organization get engaged in determining the firms' direction, it generally enhances the firm' performance as essential aspect of strategic leadership and organizational competitiveness, is embedded in the firm' leadership capabilities in managing and effectively utilizing the firm' resources. This generally entails the integration of the resources in creating capabilities and leveraging on these capabilities through leadership strategies so as to establish a competitive advantage and high performance within the organisation (Ireland & Hitt, 2005).

2.4 Empirical Review and Knowledge Gap

Several studies have been conducted in relation to strategic leadership and organisational performance. For instance, Funda and Cihan (2014) conducted a study on the effect of strategic leadership styles on firm performance among Turkish SMEs. The study deployed a descriptive research design and established that only relationship-oriented and transformational leadership styles are significantly related to firm performance with transformational leadership having the strongest effect on a firm' performance. The study was only limited strategic leadership styles and failed to assess other strategic leadership aspects such as resource management, ethical issues and organisational culture. The researcher also restricted the findings to Turkish SMEs. On the other hand, Ahmad, Kadzrina and Yen (2016) studied strategic leadership, organization innovativeness, information technology capability on effective strategy implementation. Using descriptive, correlational and regression analyses methods, the researchers concluded that strategic leadership behaviour, organizational innovativeness and IT capability promote the effectiveness in institutions. The study did not however assess the effect of strategic leadership on organisational competitiveness.

A study by Masungo et al. (2015) on effect of strategic leadership on the performance of devolved government system concluded that strategic leadership significantly and positively affect performance. The research however limited its area of study to Kakamega County Government hence the findings may not be applicable in a business organisation. From these studies, it is evident that little research has been done on the area on strategic leadership and organisational competitiveness. Most of the conducted studies having been carried out on other economies other than Kenya and on other sectors other than the sugar sector. Therefore, the findings from these studies may not necessarily be applicable to the sugar companies. This study will therefore seek to fill this knowledge gap by assessing the effect of strategic leadership on organisational competitiveness of sugar companies in Kenya while measuring four strategic leadership aspects; leadership style, ethical issues, organizational culture and management of organizational resources.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section presents a blueprint that covers the processes from data collection to analysis and presentation. It specifically covers the following; research design, target population, sampling design, data collection and finally data analysis.

3.2 Research Design

According to Lewis et al. (2012) a research design should explain the data sources and foreseen possible study limitations that include resources like time and money, availability and accessibility of data and related ethical issues. The research adopted a descriptive research design in conducting data analysis. An opinion by Kothari (2005), states that such a design entails the determination of likely respondents and also allows for the use of questionnaires and/or interviews so as to collect information relevant to the study' objectives. These arguments by Kothari motivate the choice of the study design to be employed by the researcher.

3.3 Target Population

According to Creswell (2014) referred to target population as the population from which a study seeks to generalize its results. The research' target population comprised of all managers in the thirteen operational sugar firms in Kenya, serving in various departments. The targeted sugar factories include Kibos; Chemelil; Sony Sugar; Muhoroni (currently in receivership); Mumias; Nzoia; South Nyanza; Sukari Industries Limited; Butali; Transmara; West Kenya; Kwale International Sugar Company and Kisii.

3.4 Census

To determine the effect of strategic leadership on organisational competitiveness of sugar firms in Kenya, the researcher will use censoring method to obtain the study' respondents. This method was advised by the limited number of sugar companies currently in the country; 13 sugar firms. Therefore, all the sugar firms were censored in the study. Three respondents including the head of department, line managers and supervisors, were selected for feedback hence resulting to a census list of 39 elements.

The researcher based this selection on the assumption that the other possible respondents have more or less the same nature and characteristics. This category of respondents was settled for since they are viewed to be conversant with their firm' leadership strategies. These respondents further improved the reliability and precision of the collected data.

3.5 Data Collection

The researcher adopted the use of questionnaires as the research instruments. The questionnaires were semi-structured, containing both open-ended and closed-ended questions and separated into two major sections; background information section that sought to captures both the organizations and respondents information while the second section presented all the research objectives. Three trained research assistants facilitated the distribution of the research instruments. The respondents were however be required to complete the questionnaires which were pick after 3 days. This sought to enhance the overall response rate by allowing the respondents enough time to work on the study instrument.

3.6 Data Analysis

Before coding the questionnaires for analysis, they were cross-checked so as to ensure that they are all well completed. Quantitative data was summarized from the questionnaires' close-ended questions while qualitative data was derived from the study instrument' open-ended questions. In order to establish the characteristic set up of the organizations and the respondents, data on the respondents and sugar companies was collected and descriptive analysis methods applied. The findings were then summarized using measures such frequencies, mean and standard deviations and presented in tables, graphs and charts. To describe the effect of leadership style, ethical issues, organizational culture and effective management of organizational resources on organizational competitiveness in the Kenyan sugar companies, the study utilised the descriptive analysis method. On the other hand, to establish the nature and strength of association between the variables the study employed correlational and regression analyses methods. SPSS programme was used to conduct these analyses.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

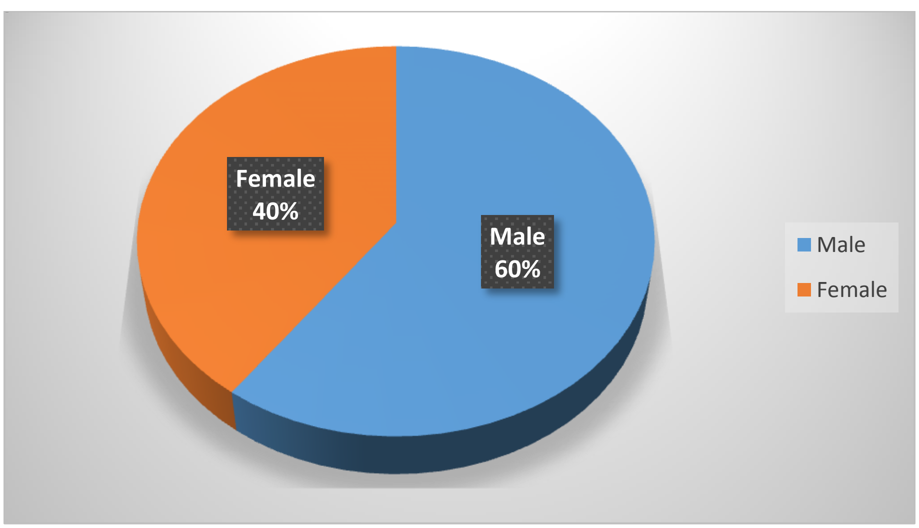
The general objective of the study was to determine the effect of strategic leadership on organizational competitiveness of sugar firms in Kenya. This chapter presents the findings of the study, analysis and discussions on the same. The study censored a total of 39 respondents from all the currently operational sugar firms in the country. Primary data was collected using questionnaires. 39 questionnaires, three in each of the sugar firms, were distributed to the management staff. The targeted management staff included the head of departments, line managers and supervisors. Out of the 39 issued questionnaires, 35 were filled to completion and returned. The research therefore attained a 90% response rate. Descriptive and correlation analyses methods were used in conducting analyses on the data collected. The results were presented in pie-charts, graphs and tables.

4.2 Background Information

The study sought to determine the demographic characteristics of the respondents. The information collected and analyzed included gender, age, position and period of employment in the institution. Data on the period the organisation has been in operation was also analyzed.

4.2.1 Gender of the Respondents

Figure 4.1: Gender

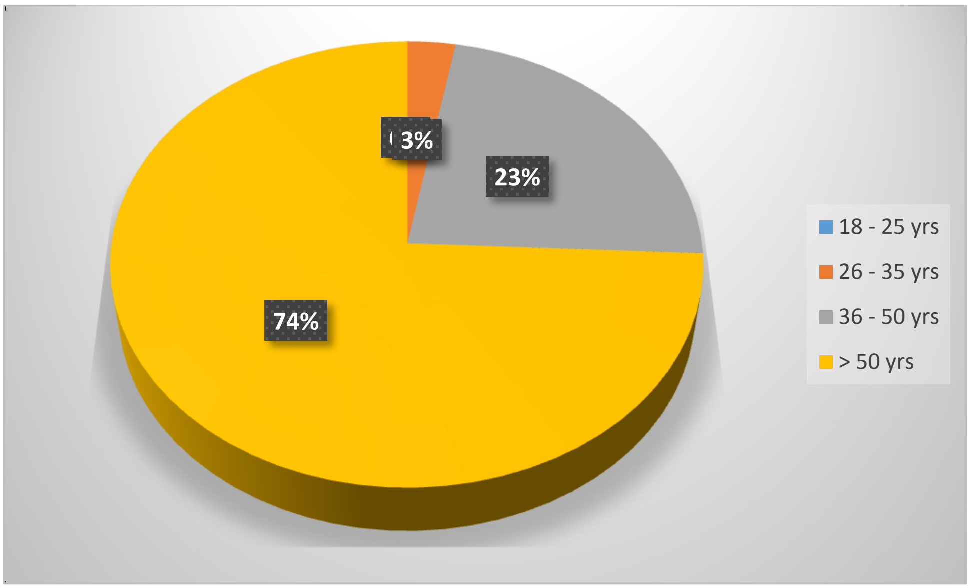


Source: Researcher (2017)

From the responses, the study established that of the 39 respondents, 21 representing 60.0% were male while 14 representing 40.0% were female. This depicts that the management of the sugar sector is male dominated.

4.2.2 Age of the Respondents

Figure 4.2: Age



Source: Researcher (2017)

The findings of the study revealed that most (34, 97.1%) of the respondents were aged not less than 36 years whereas only 1 (2.9%) was aged between 26 and 35 years while none of the respondents was aged less than 26 years.

4.2.3 Position and Length of Service

Table 4.1: Demographic Information

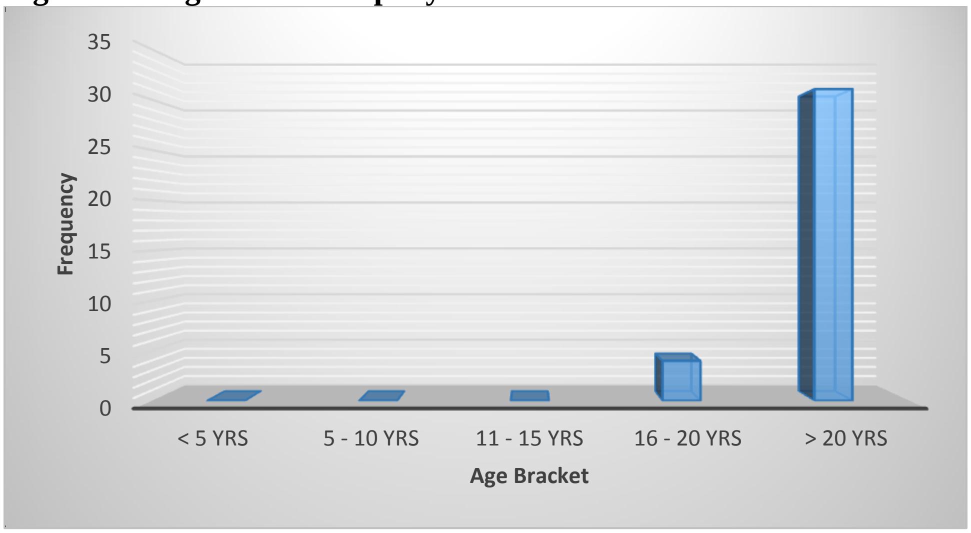
Variable	Frequency	Percentage %
Position of Service		
Head of Department	7	20.0
Line Manager	14	40.0
Supervisors	14	40.0
Others	-	-
Total	**35**	**100.0**
Length of Service		
Less than 1yr	-	-
1 – 5 yrs	-	-
6 – 10 yrs	21	60.0
11 – 20 yrs	8	22.9
Above 20 yrs	6	17.1
Total	**35**	**100.0**

Source: Researcher (2017)

The findings indicated that only 7 (20.0%) of the respondents were Heads of departments while an equal number 14 (40.0%) were line managers or supervisors. This therefore enhances the reliability of the responses collected. On the other hand, none of the respondents in the management of the firms had worked within the sector for less than 5 years while most (21, 60.0%) indicated that they had worked within the sector for between 6 to 10 years whereas only 14 (40.0%) had accumulated experience of more than 10 years in the sugar industry. This depicts that the sector generally experiences a huge staff turn-over within its management with an increase in experience of the managers.

4.2.4 Age of the Company

Figure 4.3: Age of the Company



Source: Researcher (2017)

The results of the analysis indicated that most (31, 77.1%) of the organisations have been in operation for more than 20 years while only 4 (11.4%) respondents confirmed that their firms had operated for between 16 to 20 years. On the other hand, only 2 (5.7%) of the respondents indicated that their organisations had been in operation for between 5 – 10 years and 11 – 15 years while none of the sugar firms had operated for less than 5 years. These findings further depict that the industry has not seen the entrance of new organisations into the sector. This may be attributed to the industry' major challenges.

4.3 Leadership Style

Table 4.2: Leadership Style

	N	Min	Max	Mean	Std. Dev
The organization considers the importance of adopting an effective leadership style in enhancing its competitiveness.	39	1	5	3.65	.654
The organization’s competitiveness and overall performance can be attributed to it adopting an effective and efficient organizational leadership style.	39	1	5	2.22	.567
Poor leadership style is one of the major undoing in the organization enhancing competitiveness.	39	1	5	3.15	.566
Effective strategic leadership style involves leaders from all levels of management of the organization.	39	1	5	3.25	.561
Aligning an organization’ leadership style to its transforming business environment enhances its effectiveness.	39	1	3	1.34	.237
Democratic leadership style ensures a more improved organizational performance compared to bureaucratic leadership.	39	1	5	3.21	.757
Effective leadership style enables the organization attains better performance through enhancing commitment levels among their employees.	39	1	3	1.11	.101
Valid N (listwise)	39				

Source: Researcher (2017)

The researcher sought the respondents’ opinion on various aspects of leadership style in relation to organisational competitiveness. The respondents were required to give their feedback in a likert scale of 1= Strongly agree and 5= Strongly disagree. The results were as presented in table 4.1.

From the results summarized in table 4.1, it was evident that aligning an organization’ leadership style to its transforming business environment enhances its effectiveness as indicated by the mean of 1.34 and standard deviation of .237. Similarly, the mean of 1.11 and standard deviation of .101 depict that effective leadership style enables the organization attains better performance through enhancing commitment levels among their employees. The respondents were however indifferent on whether effective strategic leadership style involves leaders from all levels of management of the organization (mean 3.25, sd .561) and if democratic leadership style ensures a more improved organizational performance compared to bureaucratic leadership (mean 3.21, sd .757). The respondents were also not clear on whether poor leadership style is one of the major undoing in the organization enhancing competitiveness (mean 3.15, sd .566). The mean of 3.65 and standard deviation of .654 reveal that the organizations do not consider the importance of adopting an effective leadership style in enhancing its competitiveness. Similarly, the respondents agree that the organization's competitiveness and overall performance can be attributed to it adopting an effective and efficient organizational leadership style (mean 2.22, sd .567).

4.3.1 Impact of Adopted Leadership Style

Table 4.3: Impact of Leadership Style

	N	Min	Max	Mean	Std. Dev
Lower staff turn-over rates.	39	1	4	2.37	.413
Improved organizational productivity.	39	1	4	2.31	.337
Satisfaction of employee.	39	1	5	2.89	.504
Improved employee creativity.	39	1	5	3.16	.610
Organizational objective attainment.	39	1	4	1.39	.222
Valid N (listwise)	39				

Source: Researcher (2017)

The respondents were also requested to express their opinions on the impact of leadership style on various aspects of the organisations. The findings were as shown in table 4.3. From the summarised results, adopted leadership style strongly impacts the organisation' ability to attain its objectives (mean 1.39, sd .222). It was also evident that leadership style adopted by an organisation lowers the organisation' staff turn-over rates (mean 2.37, sd .413) and improves its productivity (mean 2.31, sd .337). The respondents were however not sure if an organisation' leadership style influences the satisfaction of employee (mean 2.89, sd .504) or improves their creativity.

4.4 Ethical Issues

Table 4.4: Ethical Issues

	N	Min	Max	Mean	Std. Dev
Developing ethical organizational framework and capabilities to operationalize it is a key role in leadership in enhancing organizational integrity.	39	1	4	3.21	.463
A leader's ethical behaviour results to a strong impact on an organization' competitiveness.	39	1	4	2.09	.446
Organizational internal integrity enhances consensus through shared values that results into enhanced personal performance.	39	1	5	2.38	.439
A culture of integrity creates a highly rated work environment and a base for long term financial performance hence organizational competitiveness.	39	1	4	2.11	.390
Organizational integrity positively impacts the association between an organization and its customers and other stakeholders.	39	1	3	1.27	.376
Ethical organizational culture enhances service delivery, employee efforts, reduced staff turnover, improved organizational commitment and social responsibility.	39	1	3	1.79	.368
Valid N (listwise)	39				

Source: Researcher (2017)

The study sought to establish the effect of ethical issues on organizational competitiveness. The respondents were to give their feedback on the extent to which they agree with a number of statements relating to organisational ethical issues using this scale: 1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree.

The findings indicate that organizational integrity positively impacts the association between an organization and its customers and other stakeholders (mean 1.27, sd .376) while ethical organizational culture enhances service delivery, employee efforts, reduced staff turnover, improved organizational commitment and social responsibility (mean 1.79, sd .368). The respondents also confirmed that a leader's ethical behaviour results to a strong impact on the organization' competitiveness (mean 2.09, sd .446), the organizations' internal integrity enhance consensus through shared values that results into enhanced personal performance (mean 2.38, sd .439) and a culture of integrity creates a highly rated work environment and a base for long term financial performance hence organizational competitiveness (mean 2.11, sd .390). The mean of 3.21 and standard deviation of .463 depict that the respondents were not sure as to whether developing ethical organizational framework and capabilities to operationalize it is a key role in leadership in enhancing organizational integrity.

4.5 Organisational Culture

Table 4.5: Organisational Culture

	N	Min	Max	Mean	Std. Dev
Corporate culture has a strong positive impact on an organization' long-term competitiveness.	39	1	4	2.29	.597
Effective organizational cultures stress on all the key managerial constituencies so as to enhance performance.	39	1	4	2.06	.664
The currently adopted organizational culture effectively impacts customers, stockholder, employees and leadership in all levels.	39	1	5	3.71	.431
A participative organizational culture better enhances the performance of the organization	39	1	3	2.00	.216
Valid N (listwise)	39				

Source: Researcher (2017)

The study sought to determine the impact of several aspects, in relation to organizational culture, on organizational competitiveness. The results were captured in a likert scale where 1 = strongly agree while 5 = strongly disagree and summarized in table 4.5. The standard deviation was used to depict the variance in responses received such that a standard deviation of >1.0 implies a significant difference on the responses collected.

The summary of the findings indicate that the respondents agree that a corporate culture has a strong positive impact on an organization' long-term competitiveness (mean 2.29, sd .597) and that effective organizational cultures stress on all the key managerial constituencies so as to enhance performance (mean 2.06, sd .664). Similarly, the mean of

2.00 and standard deviation of .216 reveal that the respondents agreed that a participative organizational culture better enhances the performance of the organization. However, the respondents disagree that the currently adopted organizational culture effectively impacts customers, stockholder, employees and leadership in all levels as depicted by the mean of 3.71 and standard deviation of .431.

4.6 Resource Management

The research summarized the findings on various aspects of resource management in relationship to organisational competitiveness in tables 4.6 to 4.8 below.

4.6.1 Resource Management Activities

Table 4.6: Resource Management Activities

	N	Min	Max	Mean	Std. Dev
Continuous and systematic working on the productivity of knowledge and knowledge based workers.	39	1	3	1.50	.311
Enhancing employee motivation.	39	1	4	2.37	.593
Knowledgeable workforce.	39	1	4	2.07	.393
Effective communication and information management.	39	1	4	2.44	.511
Adopting revolutionary technologies	39	1	3	1.94	.279
Organizational invention and innovativeness.	39	1	4	2.87	.557
Valid N (listwise)	39				

Source: Researcher (2017)

The study sought to determine the possible actions that can be undertaken by organizations in enhancing resource management and how likely each of the action impacts organizational competeviteness in the scale: 1=Very Likely, 2=Likely, 3=Not Sure, 4=Unlikely, 5=Very Unlikely.

The results in the findings reveal that continuous and systematic working on the productivity of knowledge and knowledge based workers, having a knowledgeable workforce and establishing an effective communication and information management are resource management actions that are likely to impact organisational competitiveness as depicted by the mean of 1.50, 2.07 and 2.44 respectively. The standard deviation of .311,

.393 and .511 (<1.0) further indicate that the responses do not vary significantly. On the other hand, the mean of 2.37 and 1.94 indicate that enhancing employee motivation and adopting revolutionary technologies impact organisational competitiveness. The respondents were however not sure whether organizational invention and innovativeness influences competitiveness (mean 2.87, sd .557).

4.6.2 Aspects of Resource Management

Table 4.7: Aspects of Resource Management

	N	Min	Max	Mean	Std. Dev
An organization' employees are a key resource upon which several key competencies are established and competitiveness exploited successfully.	39	1	3	1.20	.217
Significant investments in the economy is needed for the organizations to obtain full competitive benefit from its human capital.	39	1	3	1.17	.199
Developing employees gives rise to a motivated and well knowledgeable workforce that has the capability of enhancing organizational competitiveness.	39	1	2	1.13	.108
To enhance competitiveness, a strategic leader should gain skills necessary to assist develop human capital in their various areas of responsibility.	39	1	4	2.39	.399
Valid N (listwise)	39				

Source: Researcher (2017)

The research inquired from the respondents on several aspects in relation to resource management and their impact on organizational competitiveness. The respondents were collected in the following scale: 1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree.

The findings indicate that the respondent agree that an organization' employees are a key resource upon which several key competencies are established and competitiveness exploited successfully (mean 1.20, sd .217) and that significant investments in the economy is needed for the organizations to obtain full competitive benefit from its human capital (mean 1.17, sd .199). Similarly, the respondents confirmed that developing employees gives rise to a motivated and well knowledgeable workforce that has the capability of enhancing organizational competitiveness (mean 1.13, sd .108) and that to enhance competitiveness, a strategic leader should gain skills necessary to assist develop human capital in their various areas of responsibility (mean 2.39, sd .399).

4.6.3 Effectiveness in Resource Management

Table 4.8: Effectiveness in Resource Management

	N	Min	Max	Mean	Std. Dev
Financial resource	39	1	5	4.32	.391
Human capital resource	39	1	5	3.81	.429
Social capital resource	39	1	5	3.94	.401
Organisational culture	39	1	5	4.07	.561
Valid N (listwise)	39				

Source: Researcher (2017)

The study established how effective the organisations manage their various categories of resources. The responses were provided in a likert scale where 1 = Very effective and 5 = Very ineffective. The results of the findings depicted that the organisations were ineffective in managing their financial resources (mean 4.32, sd .391), human capital resources (mean 3.81, sd .429), social capital resources (mean 3.94, sd .401) and organisational culture (mean 4.07, sd .561).

4.7 Organisational Competitiveness

The study sought to establish the impact of various strategic leadership aspects on organisational competitiveness of the sugar firms the results were represented in tables 4.9 and 4.10 below.

4.7.1 Aspects of Strategic Leadership

Table 4.9: Aspects of Strategic Leadership

Strategic leadership aspect	Yes		No	
	Freq.	%	Freq.	%
Leadership style	35	100.0	-	0.0
Ethical issues	32	91.4	3	8.6
Resource management	31	60.0	14	40.0
Organisational culture	30	85.7	5	14.3

Source: Researcher (2017)

The respondents were asked to indicate which aspects of strategic leadership affect organisational competitiveness. The results revealed that all (35,100.0%) the respondents confirmed that leadership style impacts competitiveness, followed by ethical issues (32, 91.4%), then the organisation' culture (30, 85.7%) and lastly social capital resource (21, 60.0%).

4.7.2 Strategic Leadership and Organisational Competitiveness

Table 4.10; Strategic Leadership and Organisational Competitiveness

	N	Min	Max	Mean	Std. Dev
Strategic leadership is fundamental to the performance and success of the organizations.	39	1	3	1.46	.283
Effective strategic leadership positively impacts an organization' market share.	39	1	4	2.19	.417
Effective strategic leadership enhances an organization' profitability.	39	1	3	1.33	.206
Engagement of leaders in determining the organization's direction generally enhances its competitiveness overall performance.	39	1	4	2.48	.599
Valid N (listwise)	39				

Source: Researcher (2017)

The researcher sought to determine the respondents' opinion on the impact of strategic leadership on organisational competitiveness. The respondents gave their feedback on the scale; 1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree. From the results of the study, it was evident that the respondents strongly agree that strategic leadership is fundamental to the performance and success of the organizations as depicted by the mean of 1.46 and standard deviation of .283 and that effective strategic leadership enhances an organization' profitability (mean 1.33, sd 2.06). In addition, the respondents agreed that effective strategic leadership positively impacts an organization' market share (mean 2.19, sd .417) and that engagement of leaders in determining the organization's direction generally enhances its competitiveness and overall performance (mean 2.48, sd .599).

4.8 Correlation Analysis

Table 4.11: Correlation Analysis

		Leadership style	Ethical issues	Organisational culture	Resource management	Competitiveness
Leadership style	Pearson Correlation	1				
	Sig. (1-tailed)					
Ethical issues	Pearson Correlation	0.458	1			
	Sig. (1-tailed)	0.196				
Organisational culture	Pearson Correlation	0.324	0.347	1		
	Sig. (1-tailed)	0.089	0.133			
Resource management	Pearson Correlation	0.594	0.261	0.179	1	
	Sig. (1-tailed)	0.144	0.095	0.243		
Competitiveness	Pearson Correlation	0.818	0.752	0.642	0.736	1
	Sig. (1-tailed)	0.172	0.201	0.187	0.240	

Source: Researcher (2017)

The researcher conducted correlation analysis determine the effects of leadership style, ethical issues, organisational culture and effective organisational resource management on competitiveness of the sugar firms in the country. The findings were presented in table 4.11.

From the findings summarized in table 4.11, the value of R= 0.818 and p= 0.172 imply that the leadership style adopted by an organisation has a strong positive relationship with organisational competitiveness. This further indicates that an enhanced style of leadership results to a great improvement in the competitiveness attained by the organisation. Similarly, the Pearson correlation values of .752 and .736 and the p-values of .201 and .240 respectively, imply that ethical issues within an organisation and the organisation' ability to effectively manage its resources have respectively a strong positive association with a firm' competitiveness. This indicates that enhanced organisational ethical issuses and improved effectiveness in resource management greatly improve the organisation' competitiveness. On the other hand, organisational culture has an averagely strong association with a firm' competitiveness as depicted by the Pearson correlation value of .642 and p-value of .187. This therefore implies that an enhanced organisational culture gives rise to an average improvement on the organisation' competitiveness.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The sought to determine the effect of strategic leadership on organisational competitiveness of sugar firms in Kenya. This chapter therefore presents the summary of the findings from the data analysis results, recommendation and conclusion of the study. This section also presents implication of the study on policy, theory and practice, limitation of the study and suggestion for further study.

5.2 Summary of Findings

The study established that the industry' management is male dominated with only 40.0% of the targeted managers being female. The findings also revealed that nearly all managers were aged more than 36 years while none of the managers had a cumulative experience of less than 5 years within the sector. However, only 40.0% had an accumulated experience of more than 10 years in the sugar industry revealing that the sector generally experiences a huge staff turn-over within its management with an increase in experience of the managers. This may further be attributed to the operational and performance challenges currently faced by the industry. The industry has also not seen the entrance of many new firms into the sector in the last decade as only 2 firms had been in operation for between 5 – 10 years.

The results evidenced that aligning an organization' leadership style to its transforming business environment enhances its effectiveness while effective and efficient leadership style enable the organization attain better performance through enhancing commitment levels among their employees. These results are in line with the findings of Hambrick (2007). The findings however did not clearly establish the link between effective strategic leadership style and the involvement of leaders from all levels of management. It was also not clear as to whether poor leadership style is one of the major undoing of the firms in enhancing competitiveness while it was revealed that the organizations do not consider the importance of adopting an effective leadership style in enhancing its competitiveness. In line with the argument by Yukl (2002), the results generally indicated that leadership style impacts the organisation' ability to attain its objectives, lowers the organisation' staff turn-over rates and improves its productivity. The impact of leadership style on the satisfaction of employee was however not clear.

An organization' integrity positively impacts the association between it and its customers and other stakeholders through enhancing service delivery, employee efforts, reduced staff turnover, improved organizational commitment and social responsibility. A similar finding was arrived at by (Musango et al. (2015). The findings also confirmed that a leader's ethical behaviour strongly impacts their organization' competitiveness whereas the organizations' internal integrity enhance consensus through shared values that results into enhanced personal performance. It was also clear that a culture of integrity creates a highly rated work environment and a base for long term financial performance hence organizational competitiveness. These results were also confirmed in a study by O'Toole and Bennis (2009). The findings however did no ascertain if developing ethical organizational framework and capabilities to operationalize it is a key role in leadership in enhancing organizational integrity. Corporate culture was also revealed to have a strong positive impact on an organization' long-term competitiveness while for an organizational culture to be effective and enhance performance, it needs to stress on all the key managerial constituencies. The findings also evidenced that a participative organizational culture better enhances the performance of the organization while on the contrary, the currently adopted organizational culture does not effectively impacts customers, stockholder, employees and leadership in all levels. This is in line with the findings by Denison (1990).

The findings reveal that continuous and systematic working on the productivity of knowledge and knowledge based workers, having a knowledgeable workforce, establishing an effective communication and information management, employee motivation and adoption of revolutionary technologies are resource management actions that are likely to impact organisational competitiveness. Barney and Arikan (2001) also established these findings. On the other hand, it was not clear the impact that adoption of organizational invention and innovativeness has on organisational competitiveness. The results further indicated that an organization' employees are a key resource upon which several key competencies are established and competitiveness exploited successfully and significant investments in the economy is needed for the organizations to obtain full competitive benefit from its human capital. Developing employees was also revealed to give rise to a motivated and well knowledgeable workforce that has the capability of enhancing organizational competitiveness and in order to enhance competitiveness, a strategic leader should gain skills necessary to assist develop human capital in their various areas of responsibility. Such sentiments were raised by Nel and Beudeker (2009). The study revealed that the organisations were ineffective in managing their financial resources, human capital resources, social capital resources and organisational culture.

It was evident that the respondents strongly agree that strategic leadership is fundamental to the performance and success of the organizations and effective strategic leadership enhances an organization' profitability and market share. In addition, the study established that engaging leaders in determining the organization's direction generally enhances its competitiveness and overall performance. Generally, the study established leadership style, ethical issues, organisational culture and effective organisational resource management positively impact competitiveness in the sugar sector.

5.3 Conclusion

The study concluded that strategic leadership component such as leadership style, ethical issues, organisational culture and effective organisational resource management significantly impact the competitiveness hence the overall performance of organisations within the sugar sector in the country. Aligning an organization' leadership style to its transforming business environment enhances its effectiveness and attainment of the organisation' effectiveness. Effective leadership style also impact employee related aspects such as employee turn-over and productivity. The industry' competitiveness through enhanced association with its customers and other stakeholders is greatly impacted by the individual organisation' integrity and the leaders' ethical behaviours. The ethical association is anchored on enhanced service delivery, employee efforts, reduced staff turnover, improved organizational commitment and social responsibility.

An effective corporate culture that strongly positively impacts an organization' long-term competitiveness needs to stress on all the key managerial constituencies. However, the currently adopted corporate culture in the sector does not effectively impact customers, stockholder, employees and leadership. The study further concluded that sugar firms can effectively manage their resources hence attain competitiveness through continuous and systematic working on the productivity of knowledge and knowledge based workers, having a knowledgeable workforce, establishing an effective communication and information management, employee motivation and adoption of revolutionary technologies. An organisation' employees were however established to be key resources upon which to develop competitiveness. On the other hand, the sector suffers from ineffective management of its resources; financial, human capital, social capital and organisational culture.

5.4 Recommendations of the Study

The study recommends that the firms within the sugar sector should adopt effective and efficient organisational leadership styles that are aligned with the demand within the environments in which they operate since the environments keep transforming and which enhance commitment levels among the employees. The sector should also develop strategies of retaining its experienced employees so as to avoid brain drain to other sectors. The organisations should deliberately adopt a participative organizational culture which is viewed to enhance the performance of the firms. The culture should be considered since the currently adopted organizational culture does not effectively impacts customers, stockholder, employees and leadership in all levels hence hampering performance.

The organisations should continuous and systematic work on the productivity of knowledge and knowledge based workers, ensuring a knowledgeable workforce, establishing an effective communication and information management, motivation its employees and adopting revolutionary technologies so as to enhance competitiveness. The study also recommends that the firm' should use its employees as a key resource upon which several key organisational competencies are established and competitiveness exploited while significantly investing in its human capital. Strategic leader should also seek to gain skills necessary to assist develop human capital in their various areas of responsibility.

5.5 Implication of the Study on Policy, Theory and Practice

The study acknowledges the effect of strategic leadership components; leadership style, ethical issues, organisational culture and effective organisational resource management on organisational competiveness of the sugar sector in Kenya. The findings of the study therefore provide various organization' management and industry regulators with relevant information that facilitate policy making and strategy development within the sugar industry that further seek to enhance the performance of the entire industry. The research also enriches the argument on strategic leadership and also contribute towards the current existing theories (contingency theory, upper echelons and the resource-based view theory) and literature relating to strategic leadership and organizational competitiveness, especially within the sugar industry in Kenya. The findings will also provide reference information to researchers who seek to expound on the concept of strategic leadership and the sugar industry' competitiveness. In practice, the research also provides investors with information on how to distribute their portfolio in order to enhance their returns through basing their decisions not only on economic but also on ethical concerns related to leadership.

5.6 Limitations of the Study

The study only targeted the sugar firms in Kenya hence leaving out all other sectors including the manufacturing industry in the country. In addition, the research only focused on four variables of strategic leadership and their impact on organisational competitiveness; leadership style, ethical issues, organisational culture and effective organisational resource management. The data sources were also limited to primary sources. The study also encountered limitations in the sense that being in the managerial positions, some of the respondents were difficult to be reached as a result of schedules that could not be easily reconciled. The researcher had to deal with this issue by leaving the questionnaires with the respondents so as to be filled within days.

5.7 Suggestions for Further Studies

The research was restricted to establishing the effect of strategic leadership on organisational competitiveness of sugar firms in the country. The study can also be replicated in other sectors other than the sugar industry and also be carried out within any other industry, including the sugar industry, while assessing other strategic leadership variables such as human capital development, vision articulation and organisational structure. These will provide a holistic view on the effect of strategic leadership on competitiveness.

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APPENDICIES

APPENDIX 1: QUESTIONNAIRE

Questionnaires Code: …………………   Date: …………………..

INSTRUCTIONS

The objective of this research is to establish the impact of strategic leadership on organizational competitiveness of the sugar firms in Kenya and is purely for academic purposes: your honest and objective filling of the following questionnaire will be greatly appreciated. All the information provided will remain confidential. You are also not required to write your name nor that of your company anywhere on this questionnaire.

Please tick appropriately and also kindly provide answers in the blank spaces provided.

SECTION A: BACKGROUND INFORMATION

1. Gender.

   Male [ ]   Female [ ]

2. What is your age? (years).

   18-25 [ ]   26-35 [ ]   36-50 [ ]   Above 50 [ ]

3. What is your position in the company?

   Head of Department [ ]   Line Manager [ ]   Supervisor [ ]   Other (Specify)………..

4. How long have you been employed in the sector?

   < 1 year [ ]   1 – 5 years [ ]   6 -10 years [ ]   11 – 20 years [ ]   > 20years [ ]

5. How long has your company be in operation?

   <5years [ ]   5 – 10years [ ]   11 – 15years [ ]   16 – 20years [ ]   >20years [ ]

SECTION B: LEADERSHIP STYLE

6. Below statement relate to leadership style in relation to organizational competitiveness. Please indicate your opinion in the given scale [1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Statement	1	2	3	4	5
The organization considers the importance of adopting an effective leadership style in enhancing its competitiveness.					
The organization's competitiveness and overall performance can be attributed to it adopting an effective and efficient organizational leadership style.					
Poor leadership style is one of the major undoing in the organization enhancing competitiveness.					
Effective strategic leadership style involves leaders from all levels of management of the organization.					
Aligning an organization' leadership style to its transforming business environment enhances its effectiveness.					
Democratic leadership style ensures a more improved organizational performance compared to bureaucratic leadership.					
Effective leadership style enables the organization attains better performance through enhancing commitment levels among their employees.					

7. To what extent does strategic leadership influence the following organizational aspects in your company? [1= Very Great Extent, 2 = Great Extent, 3 = Not Sure, 4 = Moderate Extent, 5 = Not at All].

Measure	1	2	3	4	5
Lower staff turn-over rates					
Improved organizational productivity					
Satisfaction of employee					
Improved employee creativity					
Organizational objective attainment					

SECTION C: ETHICAL ISSUES

8. Below statement relate to ethical issues in connection with organizational competitiveness. Please indicate your opinion in the given scale [1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Statement	**1**	**2**	**3**	**4**	**5**
Developing ethical organization' framework and capabilities to operationalize it is a key role in leadership in enhancing organizational integrity.					
A leader's ethical behavior results to a strong impact on an organization' competitiveness.					
Organizational internal integrity enhances consensus through shared values that results into enhanced personal performance.					
A culture of integrity creates a highly rated work environment and a base for long term financial performance hence organizational competitiveness					
Organizational integrity positively impacts the association between an organization and its customers and other stakeholders.					
Ethical organizational culture enhances service delivery, employee efforts, reduced staff turnover, improved organizational commitment and social responsibility.					

SECTION D: ORGANIZATIONAL CULTURE

9. Below statement describe several aspects in relation to organizational culture and organizational competitiveness. Please indicate your opinion in the given scale [1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Measure	1	2	3	4	5
Corporate culture has a strong positive impact on an organization' long-term competitiveness.					
Effective organizational cultures stress on all the key managerial constituencies so as to enhance performance.					
The currently adopted organizational culture effectively impacts customers, stockholder, employees and leadership in all levels.					
A participative organizational culture better enhances the performance of the organization					

SECTION E: RESOURCE MANAGEMENT

10. Below aspects are the possible actions that can be undertaken by organizations in enhancing resource management. Kindly indicate how likely each of the variable is likely to impact your organization' competiveness using this provided scale [1=Very Likely, 2=Likely, 3=Not Sure, 4=Unlikely, 5=Very Unlikely].

Measure	1	2	3	4	5
Continuous and systematic working on the productivity of knowledge and knowledge based workers.					
Enhancing employee motivation					
Knowledgeable workforce					
Effective communication and information management.					
Adopting revolutionary technologies.					
Organizational invention and innovativeness.					

11. Below statement describe several aspects in relation to resource management and its impact on organizational competitiveness. Please indicate your opinion in the given scale [1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Measure	1	2	3	4	5
An organization' employees are a key resource upon which several key competencies are established and competitiveness exploited successfully.					
Significant investments in the economy is needed for the organizations to obtain full competitive benefit from its human capital.					
Developing employees gives rise to a motivated and well knowledgeable workforce that has the capability of enhancing organizational competitiveness.					
To enhance competitiveness, a strategic leader should gain skills necessary to assist develop human capital in their various areas of responsibility.					

12. Listed below are the various categories of resources that define an organization. Please indicate how effective each of the resource is managed in your organization. [1=Very Effective, 2=Effective, 3=Not Sure, 4=Ineffective, 5=Very Ineffective].

Category	1	2	3	4	5
Financial resources					
Human capital resource					
Social capital resource					
Organizational culture					

SECTION F: ORGANIZATIONAL COMPETITIVENESS

13. In your opinion, do the following strategic leadership aspects impact the competitiveness of your organization?

Aspect	Yes	No
Leadership style		
Ethical issues		
Organizational culture		

Effective resource management		

14. Below statements relate to strategic leadership and organizational competitiveness. Kindly indicate your opinion using the provided scale. [1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Measure	**1**	**2**	**3**	**4**	**5**
Strategic leadership is fundamental to the performance and success of the organizations.					
Effective strategic leadership positively impacts an organization' market share.					
Effective strategic leadership enhances an organization' profitability.					
Engagement of leaders in determining the organization's direction generally enhances its competitiveness overall performance.					

THANK YOU

APPENDIX 2: EMPIRICAL REVIEW AND KNOWLEDGE GAP

Researcher	Study Focus	Methodology	Main Findings	Knowledge Gap
Funda and Cihan (2014)	Effect of Strategic Leadership Styles on Firm Performance: A study in a Turkish SME.	Descriptive research design	The study established that only relationship-oriented and transformational leadership styles are significantly related to firm performance with transformational leadership having the strongest effect on a firm' performance.	The study was only limited on the effect of strategic leadership styles and failed to assesses other strategic leadership aspects such as resource management, ethical issues and organisational culture and was also restricted on Turkish SMEs.
Mariama, Kofi and Wilberforce (2013)	Organizational Culture and Organisational Performance: Empirical Evidence from the Banking Industry in Ghana.	Denison's Organisational Model.	The study indicated that though there was significant differences among the banks in terms of the Organisational Culture Traits, there was no significant differences among them with regards to Performance. Overall, there was a positive association between Organisational Culture and Performance in the Banking Industry in Ghana with organisational Mission being the Culture Trait that impacts Performance strongest.	The research however did not assess the impact of organisational culture as an aspect of strategic leadership, on organisational competitiveness.
Ahmad, Kadzrina and Yen (2016)	Effect of Strategic Leadership, Organization Innovativeness, Information Technology Capability on Effective Strategy Implementation: A Study of	Descriptive, correlational and regression analyses.	It was determined that contextual performance in the form of strategic leadership behaviour, organizational innovativeness and IT capability promote the effectiveness of the institutions.	The researchers did not assess the impact of strategic leadership on organisational competitiveness as they were limited to its impact

	Tertiary Institutions in Nigeria.			on strategy implementation.
Katee (2013)	Effect of strategic leadership on the performance of commercial and financial state corporations in Kenya	Descriptive survey design	The findings revealed that corporate strategic direction, effectively managed corporate resource portfolio, effective organizational culture, emphasized ethical practices and balanced organizational controls positively impact organisational performance.	The study was restricted to the state corporations in Kenya hence the findings may not be applicable in the sugar sector.
Masungo et al. (2015)	Effect of Strategic Leadership on the Performance of Devolved Government System in Kakamega County, Kenya	Descriptive correlation survey research design	The study found out that strategic leadership significantly and positively affect performance with 52.6 percent of the performance (R squared = 0.526) being explained by strategic leadership.	The research however limited its area of study to Kakamega County Government hence the findings may not be applicable in a business organisation.
Wendy (2012)	The relationship between strategic leadership and strategic alignment in high-performing companies in South Africa	Quantitative research design	The study proposed that strategic leadership positively influences strategic alignment that also influences the firm' performance.	The study failed to link strategic leadership to organisational competitiveness.