

Effect of Strategic Leadership on Organizational Performance of Universities in Kenya

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Abstract

Purpose: The performance of universities in Kenya holds paramount importance due to their significant role in driving socio-economic development. These universities have to continually teach students and prepare them adequately for the job market and economic and social development. The study sought to establish the effect of strategic leadership on organizational performance of universities in Kenya. The study was guided by strategic leadership theory.

Methodology: The research design for the study was descriptive. The population of the study was the 77 universities in Kenya, with the target population being 6 universities out of the 77, including 3 public and 3 private universities. This was a census study as the population was small and easily reachable. The study used mixed methods in data collection. Structured questionnaires were issued to the heads of departments, and interviews were conducted with the deans of students of the universities. A pilot study was conducted at Egerton University. Descriptive statistics were applied to the quantitative data, and correlation results were used to test the hypothesis. To evaluate the reliability of the data collection instruments, Cronbach's Alpha coefficient was calculated.

Results: The Pearson correlation coefficient for strategic leadership was $r=0.764^{**}$ at $p<0.000$. The results indicated a strong positive correlation between strategic leadership and organizational performance of universities in Kenya. Therefore, organizational performance significantly affects organizational performance, hence the null hypothesis is rejected.

Conclusion and Recommendations: This study observed that a clear vision and direction for the organization's future and strategic planning enhances performance and contributes to effective decision-making processes that positively influence organizational outcomes. Additionally, a leadership that effectively communicates and aligns employees with the overall strategy and goals promotes an environment of adaptability and innovation. Ministry of Education, specifically the Department of Higher Education, should develop appropriate strategies and guidelines to amplify the performance of universities. The ministry, through the Commission for higher education, may enact the recommendations of the study to enhance performance of universities.

Keywords: *Strategic Leadership, Organizational Performance, Universities in Kenya*

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1.0 Introduction

Organizational performance is a comprehensive concept that involves various factors and is of great importance to both practitioners and researchers. Gadd, Holmes, and Shearer (2021)

define organizational performance as the effective management of an institution, to yield maximum value for stakeholders. Organizational performance is attained when an organization efficiently and effectively achieves its objectives, surpassing its competitors in the process (Kaidesoja, 2022). Over the years four decades, there has been a variation in measurement perspectives from purely financial metrics to more comprehensive indicators that capture skills and competencies. There is no universally appropriate performance measure, and multiple measures must be used to assess organizational performance (Burmam et al., 2021).

Globally, In Vietnam, tertiary education has experienced remarkable reforms from early 1990s, aiming to enhance the performance of educational institutions, including universities, to align with the evolving demands of the labor market. Over the period from 2013 to 2020, a substantial number of students, approximately 314,897 per year, have graduated from universities in Vietnam. This influx of graduates into the labor market has sparked the interest of various stakeholders, including teachers, students, parents, employers, managers, investors, and policymakers, in the performance of universities in the nation. The Vietnamese Department of Education and Training has established its system for evaluating university performance, although there are ongoing debates surrounding the assessment methods, benchmarks, and criteria employed in this system (Duong et al., 2023).

Regionally, Nigerian universities have faced significant scrutiny from various stakeholders due to their consistently low rankings on different ranking platforms (Ajienka et al., 2022). In the 2021 Academic Ranking of World Universities for African Universities, only fifteen Nigerian universities made it to the top 100, with the University of Ibadan ranking 5th and Ladoko Akintola University of Technology ranking 99th. Similarly, in the African University Ranking, only eight Nigerian universities were among the top 100, with the University of Lagos ranking 42nd and Ahmadu Bello University ranking 95th. This has led to a loss of confidence in the academic effectiveness of Nigerian universities in driving economic growth and development. The high rates of graduate unemployment and the issue of unemployable university graduates present significant challenges for university leadership and the government (Mailu et al., 2018).

Locally, reforms mandated by the Kenyan government require all institutions, including universities, to prepare strategic plans. Private universities, on the other hand, are tasked with maximizing returns, a goal facilitated by strategic planning. Recent developments, such as the emergence of new stakeholders, globalization, and the rapid creation and utilization of new knowledge, pose challenges for universities. Historically, universities have shown a sluggishness in adapting to evolving circumstances. However, there is currently a pressing requirement for universities to swiftly adapt and address the needs of stakeholders (Chebiwot et al., 2020). Strategy implementation is therefore core to enhancing performance in the institutions.

1.1 Problem Statement

The performance of universities in Kenya holds paramount importance due to their significant role in driving socio-economic development. These universities have to continually teach students and prepare them adequately for the job market and economic and social development. Gadd, Holmes, and Shearer (2021) argue that performance of universities is measured by growth and ranking. Times Higher Education, the world's leading platform for ranking and classifying higher education institutions indicates in its 2023 universities ranking report that universities in Kenya ranked poorly, as compared to others in the globe. The University of Nairobi, Kenyatta university, and Moi University were ranked 924th, 2402nd, and 3362nd

respectively. These rankings were a major drop from previous years. The rankings point to performance challenges in universities in the country.

Consequently, financial reports from the Office of the Auditor General (OAG), indicated that universities in Kenya are technically insolvent, and their going concern is dependent on support from the government and donors. Specifically, the report found that the University of Nairobi, Kenyatta University, and Moi university had accumulated deficits of Kshs. 3.3 billion, Kshs. 1.3 billion and Kshs .3.2 billion respectively, as at 30th June, 2020 (OAG, 2021). In the face of an increasingly complex and diverse array of internal and external forces, universities must adapt by developing programs, providing training, and graduating students who are responsive to the problems caused by universalization.

There is a dearth of research literature examining the influence of strategy implementation on the organizational performance of universities in Kenya. The majority of studies in this area have predominantly focused on for-profit organizations. Additionally, previous studies present various knowledge gaps. In a study conducted by Mailu, Ntale, and Ngui (2018) in a pharmaceutical firm, it was found that strategy implementation has a deliberate influence on organizational performance. Therefore, the study concentrated specifically on firms in the pharmaceutical sub-sector, which creates contextual gaps when comparing it to the current study. The study aimed to establish the effect of strategic leadership on organizational performance of universities in Kenya.

1.2 Research Hypothesis

H₀₁ There is no significant relationship between strategic leadership and organizational performance of universities in Kenya

2.0 Literature Review

2.1 Theoretical Review

This study was based on Strategic leadership theory which was proposed by Jefferey Barcker in 1980. The theory posits that organizations mirror the characteristics of their top managers. These characteristics not only influence managerial decisions but also shape their evaluations of decision environments (Najmaei, Quazi & Behnia, 2017). A key responsibility of top managers is to select a plan for the organization and establish the necessary conditions to realize that vision. Singh, Lim, Jha, Kumar, and Ciasullo (2023) propose that strategic leaders play a crucial role in executing strategic leadership actions, and each of these actions significantly contributes to the successful implementation of strategies. To effectively implement strategy, these leaders must comprehend the demands of the available markets, identify products and services that can cater to these markets advantageously, analyze balance sheets, and assess the availability of capital.

The theory states that individuals in leadership roles bear the responsibility of effectively managing strategy implementation process. The primary objective is to steer the organization toward success in its endeavors. Strategic leaders play a crucial part in navigating the complexities of change within an organization. They are instrumental in ensuring that the mission of the organization is not only well-defined but is also achieved efficiently and effectively. The strategic leadership theory provides a valuable framework for understanding how leaders can strategically guide their organizations through periods of change.

2.2 Empirical Review

In the dynamic and intricate 21st-century business landscape, effective strategic leadership is widely recognized as a crucial factor for an organization's success. In the face of information variability and limited resources, strategic leadership is essential to confront environmental irregularity and consistently adapt the organization to achieve performance objectives.

Dahri, Amin, and Waseem (2019) researched to evaluate the influence of strategic leadership on organizational performance in Pakistani banks, focusing on knowledge management by branch managers. Utilizing a cross-sectional design and a random sampling method, the researchers administered questionnaires to 129 staff members. Upon analysis, the data revealed significant support for all examined relationships. The results of the study underscore the effectiveness of utilizing knowledge management as a key resource for enhancing organizational performance in the banking sector, particularly in the context of developing economies.

Additionally, Dwijaya and Kusnadi (2021) delved into the influence of strategic leadership on organizational performance in the setting of India's Navy. Employing an explanatory methodology, the study involved 180 officers as the sample. The findings demonstrated a significant effect of strategic leadership on organizational performance. The study contributed to the understanding of how strategic leadership can positively affect organizational performance, providing valuable insights for the naval context in India.

Locally in Kenya Munga, Momanyi and Omari (2021) conducted a study assessing the influence of strategic leadership on the organizational performance of counties in the lake region. Targeting 592 respondents, a sample of 309 was chosen through simple random sampling. The results indicated the application of strategic leadership in the counties, leading to enhanced performance. The study highlighted leaders' formulation of effective management policies and employees' participation in strategic planning. The recommendation from the study emphasized the importance of leaders formulating policies to effectively manage their leadership responsibilities

3.0 Methodology

The research design for the study was descriptive. The population of the study was the 68 universities in Kenya, with the target population being 6 universities out of the 68, including 3 public and 3 private universities. This was a census study as the population was small and easily reachable. The study used mixed methods in data collection. Structured questionnaires were issued to the heads of departments, and interviews were conducted with the deans of students of the universities. A pilot study was conducted at Egerton University, twenty respondents were selected at random to make up the pilot sample. Editing, coding, and tabulating were done for data cleaning and analysis. Descriptive statistics were applied to the quantitative data, and correlation results were used to test the hypothesis. To evaluate the reliability of the data collection instruments, Cronbach's Alpha coefficient was calculated. The presentation of the results was done through tables and figures. The study obtained permission from the University and a research permit from NACOSTI before collecting data. A letter of introduction was sent with the research instrument, requiring informed consent from participants.

4.0 Results and Discussion

4.1 Response rate

The study issued 201 questionnaires to heads of departments and conducted 6 interviews with the dean of students. Table 1 provides the results.

Table 1: Response Rate

Category	Population	Response	Percentage
Deans of students	6	5	83
Heads of departments	201	187	93%
Total	207	192	93%

Table 1 indicates that 201 questionnaires were issued to heads of departments, out of which 187 were completed and returned; hence was a response rate of 93%. Additionally, out of the 6 scheduled interviews, 5 were successfully conducted, with a response rate of 83%. Wu, Zhao, and Aime (2022), pointed out that survey researchers often grapple with low response rates, seldom exceeding 50%. The authors suggest that a response rate of 50% and above is satisfactory and provides a solid foundation for data analysis. Consequently, the study's overall response rate of 93% was ideal, satisfactory, and reliable.

4.2 Reliability Results

A pilot study was conducted at Egerton University whereby twenty respondents were selected at random to make up the pilot sample as shown in Table 2.

Table 2: Reliability Analysis

Variable	Cronbach's Alpha	Number of items
Strategic leadership	0.701	5
Organizational performance	0.728	5

Strategic leadership had a Cronbach alpha of 0.701 and Organizational performance had an alpha coefficient of 0.728. Hence, all the variables had reliability values higher than 0.7, which was adequate for the study.

4.3 Descriptive Statistics

Results of Strategic Leadership

Respondents were asked five questions regarding effect of establishing the effect of strategic leadership on organizational performance of universities in Kenya. The responses were presented on a Likert scale. The study participants' responses are summarized and presented in Table 3.

Table 3: Strategic leadership and organizational performance

STATEMENTS	N	Mean	Std. Deviation	SA	A	N	D	SD
The leadership in our university provides a clear vision and direction for the organization's future.	187	4.23	0.601	32	59	9	0	0
The university's leadership actively engages in strategic planning to enhance organizational performance.	187	4.26	0.578	33	60	7	0	0
Strategic leadership in our university contributes to effective decision-making processes that positively influence organizational performance.	187	4.42	0.547	45	52	3	0	0
The leadership effectively communicates and aligns employees with the overall organizational strategy and goals.	187	4.43	0.548	46	51	3	0	0
The strategic leadership in our university fosters an environment of adaptability and innovation.	187	4.38	0.559	42	55	4	0	0

Source: Research Data

Table 3 indicates that out of 187 responses, 32% strongly agreed that the leadership in the university provides a clear vision and direction for the organization's future, 59% agreed and 9% were not sure (Mean=4.23; SD=0.601). However, 33% strongly agreed that the university's leadership actively engages in strategic planning to enhance organizational performance, 60% agreed and 7% were not sure (Mean=4.26; SD=0.578). Forty-five percent strongly agreed that strategic leadership in the university contributes to effective decision-making processes that positively influence organizational performance, 52% agreed and 3% were not sure (Mean=4.42; SD=0.547). Additionally, 46% strongly agreed that the leadership effectively communicates and aligns employees with the overall organizational strategy and goals, 51% agreed and 3% were not sure (Mean=4.43; SD=0.548). Moreover, 42% strongly agreed that strategic leadership in the university fosters an environment of adaptability and innovation, 55% agreed and 4% were not sure (Mean=4.38; SD=0.559).

The study interviewed dean of students and inquired how strategic leadership affects organisational performance of universities. DS1 indicated, "*Strategic leadership plays a crucial role in shaping the direction of our university. This university has elaborate leadership structures that guide attainment of vision. This improves overall organizational performance by ensuring that all units work towards common objectives.*"

DS2 noted, "*Effective strategic leadership ensures that resources are allocated efficiently. Leaders who understand the long-term goals of the university can prioritize investments in areas that will yield the highest returns, such as faculty development and student services. This strategic allocation of resources enhances the university's ability to achieve its performance targets.*"

DS3 said, "*When strategic leaders communicate the university's vision and involve staff in the planning process, it fosters a sense of ownership and commitment among employees. Engaged and motivated staff are more productive and contribute positively to the university's performance, resulting in a more cohesive and effective organization.*"

DS4 indicated, "*Strategic leadership promotes an environment where innovation and adaptability are encouraged. Leaders who support creative thinking and are open to new ideas*

enable the university to respond effectively to changes and challenges in the higher education landscape. This adaptability is essential for maintaining and improving organizational performance."

DS5 noted, "Strategic leaders often focus on building strong external relationships, such as partnerships with industry and community stakeholders. These relationships enhance the university's reputation and create opportunities for collaboration and funding. A strong external network contributes to better performance by opening new avenues for growth and development."

Organizational Performance

The respondents were asked five questions regarding on organizational performance of universities in Kenya. Likert scale was used to present responses 4.

Table 4: Organizational Performance

STATEMENTS	N	Mean	Std. Deviation	SA					SD
				A	N	D	SD		
The quality of education provided by the university is of a high standard.	187	4.24	0.530	29	66	5	0	0	
The university actively engages in research and innovation that contributes to its academic standing and reputation.	187	4.30	0.576	36	58	6	0	0	
The university demonstrates financial stability, ensuring the effective management of resources.	187	4.33	0.524	35	62	3	0	0	
Stakeholders are satisfied with the services and environment provided by the university.	187	4.27	0.544	32	63	5	0	0	
The performance of the university exceeds expectations.	187	4.40	0.543	43	55	2	0	0	

Source: Research Data

Out of 187 responses, 29% strongly agreed that the quality of education provided by the university was of a high standard, 66% agreed and 5% were not sure (Mean=4.24; SD=0.530). However, 36% strongly agreed that the university actively engages in research and innovation that contributes to its academic standing and reputation, 58% agreed and 6% were not sure (Mean=4.30; SD=0.576). Thirty-five percent strongly agreed that the university demonstrates financial stability, ensuring the effective management of resources, 62% agreed and 3% were not sure (Mean=4.33; SD=0.524). Additionally, 32% strongly agreed that stakeholders were satisfied with the services and environment provided by the university, 63% agreed and 5% were not sure (Mean=4.27; SD=0.544). Moreover, 43% strongly agreed that the performance of the university exceeds expectations, 55% agreed and 2% were not sure (Mean=4.40; SD=0.543).

The study interviewed dean of students and inquired from them on what the universities could do to enhance strategy implementation and organisational performance. DS1 indicated, "Universities should establish and communicate specific, measurable strategic goals to all stakeholders. Universities should focus on set goals through alignment and focus, which improves strategy implementation and overall performance."

DS2 noted, *"Investing in leadership development programs for both current and emerging leaders is crucial. Effective leaders are better equipped to drive strategy implementation, motivate staff, and navigate challenges. Universities should provide training and support to enhance leadership skills across all levels."*

DS3 said, *"Universities should improve their use of data and analytics to guide decision-making. Universities can make more informed decisions, monitor progress effectively, and adjust strategies as needed to improve performance by leveraging data on performance metrics, student outcomes, and operational efficiency, "*

DS4 noted, *"Promoting a culture of continuous improvement is essential for enhancing strategy implementation. Universities should encourage feedback, regularly review processes, and be open to change. This approach helps in identifying areas for improvement and implementing best practices to boost performance."*

DS5 indicated, *"Improving internal and external communication channels can greatly benefit strategy implementation. Ensuring that there is clear, ongoing communication between departments and with external stakeholders helps in managing expectations, addressing concerns promptly, and aligning efforts towards common goals."*

4.4 Correlation Results

The study had a null hypothesis that stated that there was no relationship between community support and the performance of wildlife community enterprises of Northern Rangeland Trust. Pearson Correlation was used to test the hypothesis as described in Table 5.

Table 5: Correlation Results

		Organizational Performance	Strategic Leadership
Organizational Performance	Correlation	1	.764**
	Sig. (2-tailed)		0.000
	N	187	187
Strategic Leadership	Correlation	.764**	1
	Sig. (2-tailed)	0.000	
	N	187	187

The Pearson correlation coefficient for strategic leadership was $r=0.764^{**}$ at $p < 0.000$. The results indicated a strong positive correlation between strategic leadership and organizational performance of universities in Kenya. Therefore, organizational performance significantly affects organizational performance, hence the null hypothesis is rejected.

5.0 Conclusion

This study concludes that a clear vision and direction for the organization's future and strategic planning enhances performance and contributes to effective decision-making processes that positively influence organizational outcomes. Additionally, a leadership that effectively communicates and aligns employees with the overall strategy and goals promotes an environment of adaptability and innovation.

6.0 Recommendations

The study recommends that the Ministry of Education, specifically the Department of Higher Education, should develop appropriate strategies and guidelines to amplify the performance of universities. The ministry, through the Commission for higher education, may enact the recommendations of the study to enhance performance of universities.

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