The Relationship between Leadership Styles And Company Performance: A Study of COYA CEOS in Kenya.
(Paper Based on my DBA dissertation)

By
George W. Lumbasi- ID No. 117195
DBA student - United States International University- Africa
Supervisors: Dr. George O. K’aol and Dr. Caren A. Ouma
EAMARC Presentation
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a)- Introduction- Background of the Study

Relevant Studies:

**Globally:**
Aboyassin and Abood (2013), explored how an ineffective leadership style affects individual and organizational performance in Jordanian institutions.

- Recommendation- Ineffective leadership styles should always be eliminated.

**Africa:**
• Harrism and Ogbonna (2013)- studied Leadership styles and performance in African organizations.

- Findings- need for further research to establish a link between African culture and leadership styles and their implications for economic growth on the continent.
Introduction- Background of the Study

• In Uganda, Omvir and Singh (2011)- The implication of African leadership on the growth of African economy.

- Findings- For greater economic growth, Participative and supportive leadership be used as opposed to the autocratic style

Kenya

• Koech and Namusonge (2012)- Effects of leadership styles on organizational performance at state-owned corporations in Kenya.

– Recommend that managers should discard laissez-faire leadership style by becoming more involved in guiding their subordinates
b) Problem Statement

- Globally- Changing trends are placing new pressures on leaders and complicating their role in organizations (Kouzes & Posner, 2012).

- According to Cavico and Mujtaba (2008), the problem of poor performance experienced by many companies in Africa are linked to a leader’s style of doing things.

- In some Kenyan cases, leaders fail to produce positive results in their companies due to the leadership style they apply (Machuki, Aosa, and Letting’, 2012)
c) Study Gap and Purpose of the Study

Gap
Not many studies have been done on the linkage of the CEOs leadership style and how it company profitability among the COYA winners in Kenya. This research will attempt to address.

Purpose
• The purpose of this study is to investigate the relationship between leadership styles and company performance among the winners of the COYA awards in Kenya.
d) Research Questions

- What is the effect of the Directive leadership style on the performance of a company?
- How does the Supportive style of leadership affect company performance?
- In what ways does the participative style of leadership influence the performance of a company?
- How does the Achievement-Oriented leadership style influence the performance of a company?
- And lastly, how does company culture influence the performance of a company?
e)- Hypotheses

- **H₀₁**: Directive leadership style has no effect on the performance of a company.
- **H₀₂**: Supportive style of leadership has no effect on company performance.
- **H₀₃**: Participative leadership style has no influence on company performance in any way.
- **H₀₄**: Achievement-Oriented leadership style has no influence on the performance of a company.
- **H₀₅**: Company culture does not influence company performance.

George W. Lumbasi, DBA Student
f) Justification, Scope & Theory

**Justification**
- Important to Industry (Ranking) and Scholars (Addition of valuable literature to what already exists).

**Scope**
- This study will look at the 13 companies that won the COYA in 2010-2013. Focus will be on Senior managers that report directly to CEOs of these companies.
- The Theory- Path-Goal by Robert House
- Conceptual Framework: Leadership Styles – Company Culture-Performance (BSC)
Research Methodology

• Population- Senior managers that directly report to the CEOs of the 13 companies.
• A Census Method will be used to survey all the 71 senior managers.
• A census is preferred because;
  - The total population is less than 100 (Saunders, 2009).
  - A census survey is easier to administer (Cooper & Schindler, 2011).
Research Methodology

Data Collection Methods

• The data will be collected using a questionnaire. The first part will collect biographical data whereas the second part will have five sections, each section will be tagged to a research question.

• The justification for using questionnaires is that they will reach the respondents within a short time. Since they will be answered anonymously, this means that sensitive or personal questions will be answered more objectively.
Research Methodology

Data Analysis Methods

• Multiple Linear Regression will be used for data analysis.
• This is preferred because it uses data very efficiently and good results will be obtained with relatively small data sets (Christensen, Johnson & Turner, 2014).
• P Value of 0.05 will be used to determine level of significance
• R squared will also be used to test the extend to which the independent variables affect the dependent (performance)
h) Pilot Study

- Reliability and Validity tests were done to establish the internal consistency of the tool. This was through the Cronbach Alpha. A value of 0.7 was considered for this study.
- Thus all values above 0.7 indicated that the tool was good and reliable.
- However, other revisions were done on the tool and as a result of this, there was need for another pilot study. This is currently underway.

Thank you!