The Influence of Idealized Influence Leadership Behavior on Employee Performance in Small and Medium Enterprises in Kenya

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Abstract
The objective of the study was to investigate the influence of Idealized Influence leadership behavior on employee performance in Small and Medium Enterprise in Kenya. This study targeted the KPMG top 100 SMEs of 2014 in Kenya. A correlational research design was employed to establish the relationship between Idealized Influence leadership behavior and employee performance in Small and Medium Enterprises in Kenya. The study found that Idealized Influence leadership behavior and Employee Performance in SMEs in Kenya had a strong positive and significant correlation (r(194) = .829, p< .000) and a positive and significant relationship (β = .829, t(194)= 20.503, p < .000). The study concludes that if a leader inculcates trust in employees, practices high ethical values, acts as a role model to the employees and encourages employees to take risks; these will positively affect employees work and hence high performance levels.

Keywords: Leadership, Idealized Influence Leadership Behavior, SMEs
1.0 INTRODUCTION

Idealized influence is one of the four components of transformational leadership identified as an independent variable for this study. Scholars examining this process assert that idealized influence refers to the idea that followers will trust and respect leaders to provide support and resources (Chu & Lai, 2012). As a result of this belief, employees will be willing to accept the directives provided by the leader, regardless of their complexity or difficulty (Chu & Lai, 2012). Idealized influence at its core represents the highest levels of moral reasoning and perspective-taking capacity. Such leaders are willing to sacrifice their own gain for the good of their work group, organization, and community (Conger, 2014). They set high standards for work conduct and are a role model for those standards. They build trust in people because those who work with them know they are committed to the common good and their sacrifices along the way evidence the consistency of their actions with their values (Conger, 2014). Transformational leaders in applying idealized influence can see the good in others first and when it is not obvious they work to bring it out through continuous endeavor (Avolio, 2005).

This study looked at various attributes of idealized influence which include ethical values, trust, role model and risk taking. Idealized influence is one of the four components of transformational leadership identified as an independent variable for this investigation. Scholars examining this process assert that idealized influence refers to the idea that followers will trust and respect leaders to provide support and resources (Chu & Lai, 2011). As a result of this belief, employees will be willing to accept the directives provided by the leader, regardless of their complexity or difficulty (Chu & Lai, 2011). Although the role of idealized influence and its implications for organizational performance is often conceptualized as part of transformational leadership, there is evidence indicating that idealized influence may impact particular aspects of employee performance. In particular, idealized influence may have implications for employee commitment and satisfaction to facilitate engagement and motivation while on the job (Chen, 2004).

Understanding the specific impact of idealized influence on employee performance is thus imperative for expanding comprehension of how transformational leadership influences organizational outcomes. Leaders, who demonstrate idealized influence according to Bass (1997) display confidence, emphasize trust, take stands on difficult issues, present their most important values, and emphasize the importance of purpose, commitment, and ethical consequences of decisions. Such leaders are admired as role models generating pride, loyalty, confidence, and alignment around a shared purpose. The study examined ethical values as the first construct under idealized influence.

1.1 Problem Statement

According to Jyoti and Bhau (2015) leadership style may influence the ability of the followers to work efficiently for the organization and this ultimately enhances the employee’s job performance. Selesho and Naile (2014) on the other hand argued that transformational leadership style cannot raise job satisfaction and job performance, and it is the commitment of staff to their job that can raise job satisfaction and ultimately improve the performance. Nonetheless, Sinek (2014) noted that empirical studies on the relationship between transformational leadership and staff performance have generally been missing while Wang, Tsui and Xin (2011) noted the need for further studies on the role of transformational leadership on performance since the results from previous studies were contradictory.
Currently the influence of transformational leadership on staff performance among SMEs in Kenya is unknown.

Despite the popularity of transformational leadership throughout numerous organizations, limited research exists in identifying potential issues in the implementation of transformational leadership within SMEs especially the top 100 midsize companies in Kenya (Asiimwe et al., 2016). One would expect that since these companies are high end performers, then employee performance should also be at its best all the time (Asiimwe et al., 2016). However, literature shows that these companies are faced with employee performance challenges from a leadership perspective (Lumbasi, K’ao1&Ouma, 2016). Furthermore, even where previous studies have examined the link between leadership paradigms and behaviors, and have shown a positive relationship, none has explained the nature of this connection, and therefore, how and why leadership affects performance. Future research needs to address this deficiency (Fenwick et al., 2008). The motivation of this study was to establish whether transformational leadership influences the employee performance in SMEs in Kenya

1.2 Research Objective
To establish the influence of idealized influence leadership behavior on employee performance in small and medium enterprises in Kenya.

2.0 LITERATURE REVIEW
Idealized Influence is the behavior that is reflected by leaders showing charismatic personality. (Yammarino & Dubinsky, 1994). Their subordinates identify them with their charismatic personality and try to emulate them. (Bass & Riggio, 2006). A transformational leader acts as a mentor and a role model for the subordinates and consequently wins the trust and respect of the followers who try to emulate the leader. A leader who is a role model is not likely to experience a resistance to change from the followers when a new decision is being made (Renjith, Renu & George, 2015). Shadraconis (2013) argued that leaders need to repeatedly send signals that encourage commitment, respect, and loyalty for continued commitment from their followers.

Besides, idealized leadership at its core represents the highest levels of moral reasoning and perspective-taking capacity. These leaders are willing to sacrifice their own gain for the good of their work group and organization. They set high standards for work conduct and are a role model for those standards. They build trust in people because those who work for them know they are working toward the common good, and their sacrifices along the way are evidence of their consistency for their actions and values. These are people who see the good in others first and when it is not obvious they work to build it out with concern for people. Transformational leaders are also willing to take and share risk with employees (Avolio & Bass, 2002).

Leaders with idealized influence set examples to be emulated by their followers. As suggested by Burns (1978), when leaders are morally more mature, those they lead display higher moral reasoning. Authentic idealized influence leadership must rest on a moral foundation of legitimate values (Burns, 1978). Moral obligations are grounded in a broader conception of individuals within community and related social norms and cultural beliefs.

Previous research has shown that ethical leadership is significantly related to idealized behaviors (IB) component of transformational that ethical leadership is significantly and positively associated with all components of transformational leadership. Toor and Ofori (2009) in their study on ethical leadership
examined between leadership and employee outcomes and organizational culture established that although idealized influence component successfully envisages ethical leadership.

Trust in the leader has been a significant outcome built by effective leadership, especially in the field of transformational leadership (Casimir, Waldman, Bartram, & Yang, 2006; Jung & Avolio, 2000; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). There are also a number of empirical studies suggesting a positive relationship between idealized influence and trust in the leader. Podsakoff et al., (1990) reported a direct link between idealized influence leadership and trust in the leader, in which trust in the leader was conceptualized as faith in and loyalty to the leader. Leaders can facilitate trust building since the leaders themselves are determined to build it and they are committed to the vision. Trust on the leaders is an important matter since it is one factor that can affect performances. Moreover, their subordinates need to trust their leaders if they want to work together and are committed to the appointed goals (Bass, 1985, Yukl, 2007).

Idealized-influence leaders provides a role model for high ethical behavior, instills pride, gains respect and trust. The leaders act as an ideal or role model for the follower with whom the follower likes to be identified (Dasborough & Ashkanasy, 2002). The characteristics of idealized influence leaders make them adorable and their followers like to be identified with them (Sluss & Ashforth, 2007). Leaders are successful at influencing followers because followers have “trust, admiration, loyalty and respect” for the leader; and because of the qualities of the latter, followers are willing to work harder for the achievement of objectives (Geib & Swenson, 2013). Idealized influence leaders motivate the members of the organization to transcend their self-interests in order to achieve collective objectives. The leader thus can be said to be “a model of integrity and fairness, setting clear goals, having high expectations, encouraging people and providing support and recognition, stirring the emotions and passions of people, and getting people to look beyond their own self-interests and reach for higher goals (Warrick, 2011).

Idealized influence leaders, led by example, when sharing risks with employees, and when displaying a high level of ethical and moral conduct (Riaz & Haider, 2010). One possible extension of the work by Lord and Brown (2001; 2004) is examination of a leader’s influence on followers’ willingness to take risk. Risk represents a special kind of decision-making problem (Yates & Stone, 1992), one that deals with uncertainty in the outcomes of a decision (March & Shapira, 1992) or with potential losses for the decision-maker and his or her organization (Fischhoff, Watson & Hope, 1984). It is possible that especially effective leaders inspire followers to reach beyond previous limits and risk personal resources for the sake of the organization. It may also be possible that transformational leaders provide information about the work environment and about the organization’s future that influence follower judgments regarding the risk associated with their actions and decisions. Idealized influence leaders encourage their employees to take initiatives and take risk by adopting new method for accomplishment of tasks and motivate them to work collectively aligned with organizational objectives that ultimately increase organizational commitment (Walumbwa & Lawler, 2003).

A comprehensive body of research on idealized influence leadership theory supports the notion that effective leaders have an influence on how their followers feel about their work and how their followers ultimately perform. Further, the transformational approach emphasizes the need for a change in the status quo, and encourages behavior that supports the overall mission of the organization, no matter how risky (Conger & Kanungo, 1994). In this regard, the present study aims to establish
whether ethical values, trust, role model and risk taking of idealized influence can lead to employee performance in the top 100 SMEs in Kenya.

Nguyen and Nguyen (2014) examined the influence of leadership behaviors on employee performance in the context of software companies in Vietnam. The results revealed that idealized influence has a positive and significant influence on employee performance. The study suggested that leaders need to stimulate the employees’ efforts to be more frequently innovative and creative. This study respondents were individuals working in the software companies in Vietnam; they did not concentrate on the senior managers in these firms. We are not also told whether these firms were SMEs or large firms.

Sundi (2013) in his study used the exploratory approach to investigate the effects of transformational and transactional leadership on employee performance in Pakistan. The sample consisted of 126 respondents. There is a positive and significant effect of idealized influence on employee performance as shown by the results. This study was however, conducted in an education setting thus the finding may not be entirely significant in SMEs’. Similarly, findings from a study by Chou, Jiang and Wang (2004) confirmed that indeed managers should demonstrate more charismatic behaviors to enhance better performance among the subordinates and in teams they have been assimilated into. Companies listed on the top 500 Largest Corporations in Taiwan 2001. The study suggested that further research is required to investigate how idealized influence leadership behavior brings about higher level of project team’s performance. However, the causality among the variables of this study could not be assumed because the study was cross sectional.

Ngaithe (2016) examined the effects of transformational leadership on staff performance in state owned enterprises (SOE) in Kenya. Descriptive correlation research design was used to establish the magnitude, direction and significance of various dimensions of transformational leadership on staff performance of SOEs in Kenya. Stratified random sampling technique was used to select a sample of 163 senior managers from the target population of 275. A structured questionnaire was used to collect data from the selected members of top management team in SOEs. The study utilized correlation analysis to establish the relationship between staff performance and transformational leadership, Chi square test to determine the differences between the means and Analysis of Variance (ANOVA) and multiple linear regression model to test the hypotheses. The study found that idealized influence was positively and significantly correlated with staff performance, $r (138) = .64$, $p< .00$. Multiple linear regression revealed that idealized influence significantly predicted staff performance, $\beta = .78$, $t(145)= 2.99$, $p< .004$.

Brown and Arendt (2011) examined front desk supervisors’ transformational leadership dimensions and employee performance. The MLQ (Avolio& Bass, 2004) and a researcher developed performance questionnaire were used. Employees from 34 hotels in one Midwestern state participated in the study. The researchers used ANOVA, Pearson product-moment correlation coefficient and regression analysis. Results indicated that front desk employees perceived their supervisors exhibited leadership dimensions of idealized influence more frequently and individual consideration and intellectual stimulation less frequently. No significant relationship was found between supervisors’ transformational leadership dimensions and employee performance. In this study, leaders who exhibit idealized influence are characterized by having employees who respect and trust them. Exhibiting power and confidence is part of idealized influence dimension, which was the highest rated item.
Datche and Mukulu (2015) examined the effects of transformational leadership on employee engagement: a survey of civil service in Kenya. The data was collected from a sample size of 252 civil servants. The researchers used cross-sectional survey and stratified random sampling. They issued structured questionnaire to the respondents. Regression and ANOVA were used for analysis. The results reveal that although transformational leadership is positively related to employee engagement in general, but there was a negative relationship between idealized influence and employee engagement. This study was on the civil service employees and not in SMEs and hence not telling us whether the same findings could be generalized to SMEs in Kenya. Most of the studies found out that idealized influence had a positive significant relationship with employee performance. The issue here is that most of these studies are foreign and do not bring out the Kenyan context. The studies were not also done on the top 100 SMEs in Kenya.

3.0 Methodology
This study adopted a quantitative research method. Stratified random sampling was applied to obtain a sample size of 226 respondents from a population of 553 senior managers. After the stratification, simple random sampling was used to select the managers from each stratum based upon the percentage that each stratum represented in the population. The strata for manufacturing comprised 40%, supplies 10%, services 36%, distributors 4% and real estate’s 10% of the target population respectively. Stratified sampling technique was preferred because the SMEs were of different categories therefore; they were grouped into five strata before being sampled. Purposive sampling was used to choose the unit of analysis that is top management team (managing director, finance manager, human resources manager, operations manager and manager) from each of the 100 companies. A structured questionnaire was used to collect the quantitative data. The measures involved likert scale type of questions with responses ranging from 0= not at all to 4= always. Data was analyzed using descriptive statistics and inferential statistics.

4.0 RESULTS
4.1 Idealized Influence and Employee Performance
Under idealized influence leadership behavior, the specific constructs measured were ethical values, trust, role model and risk taking. Each construct measured the extent to which this leadership behavior is practiced in the SMEs and as such leading to employee performance. These findings are presented in Table 4.1. As illustrated in table 4.1 findings reveal that, the CEO fairly often acts in a way that reflect his/her ethical values ($M = 2.98$, $SD = 1.018$).The standard deviation obtained was slightly above 1 showing that the responses had more variation from the mean value obtained. The table as well shows that the CEO fairly often acts in a way that make employees have full trust in him/her ($M = 2.87$, $SD = 0.803$). The standard deviation which is less than 1 show that the responses given did not vary significantly from the mean value and therefore changing the population units studied would not alter significantly the current results. The findings also reveal that, the employees are fairly often proud to be associated with their CEO because he/she acts as their role model ($M = 2.66$, $SD = 1.061$). The standard deviation obtained was slightly above 1 showing that the responses had more variation from the mean value obtained. Further, the findings reveal that the CEO fairly often acts in ways that make employees not be afraid of taking risks ($M = 2.51$, $SD = 1.162$). The standard deviation obtained was slightly above 1 showing that the responses had more variation from the mean value obtained. The results are as shown in table 4.1.
The study also sought to analyze the views of management staff on idealized influence on performance of employees using a table of means and standard deviations. According to the findings, the employees fairly often perform their duties effectively because the CEO acts ethically ($M = 2.78$, $SD = 1.186$). The standard deviation obtained was slightly above 1 showing that the responses had more variation from the mean value obtained. The table as well shows that the employees fairly often put extra effort in their work because they trust the CEO ($M = 2.63$, $SD = 1.274$). The standard deviation obtained was slightly above 1 showing that the responses had more variation from the mean value obtained. The findings also reveal that, the employees are fairly often committed to their work because they trust the CEO ($M = 2.38$, $SD = 1.250$). The standard deviation obtained was slightly above 1 showing that the responses had more variation from the mean value obtained. Further, the findings reveal that the employees fairly often satisfied with their work because the CEO encourages them to take risks ($M = 2.28$, $SD = 1.154$).

### Table 4.1 Means and Standard deviations for Idealized Influence

<table>
<thead>
<tr>
<th>Idealized Influence</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CEO acts in a way that reflect his/her ethical values</td>
<td>194</td>
<td>2.98</td>
<td>1.018</td>
</tr>
<tr>
<td>The CEO acts in a way that make me have full trust in him/her</td>
<td>194</td>
<td>2.87</td>
<td>.803</td>
</tr>
<tr>
<td>I am proud to be associated with my CEO because he/she acts as my role model</td>
<td>194</td>
<td>2.66</td>
<td>1.061</td>
</tr>
<tr>
<td>The CEO acts in ways that make me not be afraid of taking risks</td>
<td>194</td>
<td>2.51</td>
<td>1.162</td>
</tr>
</tbody>
</table>

### Influence of Idealized Influence on Performance of Employees

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I perform my duties effectively because the CEO acts ethically</td>
<td>194</td>
<td>2.78</td>
<td>1.186</td>
</tr>
<tr>
<td>I put extra effort in my work because I trust the CEO</td>
<td>194</td>
<td>2.63</td>
<td>1.274</td>
</tr>
<tr>
<td>I am committed to my work because I trust the CEO</td>
<td>194</td>
<td>2.38</td>
<td>1.250</td>
</tr>
<tr>
<td>I am satisfied with my work because the CEO encourages me to take risks</td>
<td>194</td>
<td>2.28</td>
<td>1.154</td>
</tr>
</tbody>
</table>

#### 4.2 Correlation between Idealized Influence and Employee Performance

The study correlated idealized influence and employee performance and found that all the items of idealized influence were positively and significantly related with employee performance. The CEO acts in a way that reflect his/her ethical values had a moderate correlation with employee performance, $r(194) = .630, p < .000$. The CEO acts in a way that make me have full trust in him/her and employee performance were strongly correlated, $r(194) = .734, p < .000$; I am proud to be associated with my CEO because he/she acts as my role model and employee performance also had strong correlation with employee performance, $r(194) = .749, p < .000$. Further, the CEO acts in ways that make me not be afraid of taking risks and employee performance were strongly correlated, $r(194) = .702, p < .000$; I perform my duties effectively because the CEO acts ethically and employee performance had a moderate correlation, $r(194) = .657, p < .000$; I put extra effort in my work because I trust the CEO and employee performance were strongly correlated, $r(194) = .812, p < .000$; same to I am committed to my work because I trust the CEO and employee performance, $r(194) = .897, p < .000$ as well as I am satisfied with my work because the CEO encourages me to take risks which showed a strong correlation, $r(194) = .799, p < .000$. The results are presented in Table 4.2.
4.3 Hypothesis Testing for Idealized Influence

Based on multiple linear regression, the study sought to establish the effect of idealized influence on employee performance. The following hypothesis was therefore tested:

\[ H_{01}: \text{Idealized influence has no significant relationship with employee performance in small and medium enterprises in Kenya.} \]

The study found that idealized influence explained a significant proportion of variance in employee performance, \( R^2 = .686, F(1, 194) = 420.365, p < 0.01 \). The study found that idealized influence significantly predicted employee performance, \( \beta = .829, t(194) = 20.503, p < .000 \). This finding implied rejection of the null hypothesis. The results are presented in table 4.3.

### Table 4.2 Correlation between Idealized Influence and Employee Performance for All Items

<table>
<thead>
<tr>
<th>Employee Performance</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CEO acts in a way that reflect his/her ethical values</td>
<td>.630**</td>
<td>.000</td>
<td>194</td>
</tr>
<tr>
<td>The CEO acts in a way that make me have full trust in him/her</td>
<td>.734**</td>
<td>.000</td>
<td>194</td>
</tr>
<tr>
<td>I am proud to be associated with my CEO because he/she acts as my role model</td>
<td>.749**</td>
<td>.000</td>
<td>194</td>
</tr>
<tr>
<td>The CEO acts in ways that make me not be afraid of taking risks</td>
<td>.702**</td>
<td>.000</td>
<td>194</td>
</tr>
<tr>
<td>I perform my duties effectively because the CEO acts ethically</td>
<td>.657**</td>
<td>.000</td>
<td>194</td>
</tr>
<tr>
<td>I put extra effort in my work because I trust the CEO</td>
<td>.812**</td>
<td>.000</td>
<td>194</td>
</tr>
<tr>
<td>I am committed to my work because I trust the CEO</td>
<td>.897**</td>
<td>.000</td>
<td>194</td>
</tr>
<tr>
<td>I am satisfied with my work because the CEO encourages me to take risks</td>
<td>.799**</td>
<td>.000</td>
<td>194</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed)
** Correlation is significant at the 0.01 level (2-tailed)
Table 4.3 Regression Results of Idealized Influence

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.829*</td>
<td>.686</td>
<td>.685</td>
<td>.58715</td>
<td>.686</td>
<td>420.365</td>
<td>1</td>
<td>192</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Idealized Influence

ANOVA*

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>144.919</td>
<td>1</td>
<td>144.919</td>
<td>420.365</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>66.191</td>
<td>192</td>
<td>.345</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>211.110</td>
<td>193</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Idealized Influence

Coefficients*

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.265</td>
<td>.142</td>
<td>1.861</td>
</tr>
<tr>
<td></td>
<td>Idealized Influence</td>
<td>1.011</td>
<td>.049</td>
<td>.829</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Discussion

The study’s first objective sought to establish the influence of Idealized Influence on employee performance in Small and Medium Enterprises in Kenya. Seeking to answer this, the study established that the CEO acted in ways that reflected their ethical values and this made the employees perform their duties effectively. These findings are in agreement with the findings of Alshamari, Almutari and Thuwaini (2015) whose study showed that leaders who showed ethical leadership in deed affects employee performance. Furthermore, when the leader has strategies and techniques, the capacity of the managers to empower the employees and extensively enhance the self-efficiency of the staff is enhanced. Brown and Trevin (2006) on the other hand states that the moral manager means that the leader openly and explicitly talks about ethics and also empowers employees to be just and seek justice. Moral managers talk strongly about ethics in their messages to their followers, use reinforcement mechanisms and make them accountable for their actions and decisions. Graham (1995); Jones and Ryan (1998) addressed the issue of ethics in relation to the organizational environment and its influence on employees satisfaction, performance and commitment. Avolio and Gardner (2005) in their study also found that leaders who showed ethical values predicts outcomes such as employees’ satisfaction with the job and their willingness to put extra effort into the work. The study findings also illustrated that the CEO acted in ways that made the employees have full trust in him/her and this made employee put extra effort in their work because of this trust. These findings also support the findings of a study that was conducted by Miles (1990) who maintained that trust in a
leader makes the followers to have job satisfaction, commitment and communication. Ponnu and Tennakson (2009) also found that employees trust in leaders will likely result to increase in employee compliance with organizational rules and laws, and improve employees’ contribution in terms of performance. Guonans (2005) illustrated that productive employees are as a result of a winning combination of trust and support. It is therefore, important for leaders to build and manage employees commitment especially based on trust, because employees tend to show a huge amount of commitment towards the organization when the leader is trustworthy and reliable.

The study findings further illustrated that when the CEO used idealized influence, employee are encouraged to be committed to their work because they are proud to be associated with the leader because the leader acts as their role model. This was in agreement with the findings of a study by Chin et al., (2009) which revealed that a followers’ personal identification with the leader, based on the role modelling behaviors, evoke the followers being proud to be associated with the leader, respect for the leader and desire to idolize and imitate the leaders behavior and characteristics; and a followers internalization of a leaders’ values and beliefs, thereby leading a follower to be deeply espoused with the leaders’ vision and action. Bried and Weiss (2012) also illustrates that leaders who have Idealized Influence transfer their enthusiasm and high power to their subordinates by the way of modeling. This manner can increase the power as a component of extra effort in workers. Idealized Influence among these leaders can result in forming a specific belief among employees towards these leaders. This as a result, makes the followers identify with the leaders and match themselves with leaders’ expectations and aspirations. According to Goussak and Webber (2011) Idealized Influence applies when employees share experiences and best practices and when they follow the examples of leaders, as such followers trust leaders, emulate their behavior, assume their values and commit to achieving organizational goals. Leaders with high Idealized influence behave in ways that allow them to serve as role models due to followers’ admiration, respect and trust.

According to the study findings, the employees were satisfied with their work because the CEO encouraged them to take risks. These findings support the finding of a study that was conducted by Lord and Brown (2004); Flynn and Staw (2015) which states that it is possible that especially effective leaders inspire followers to reach beyond previous limits and risk personal resources for the sake of the organization. Indeed effective leaders are expected to influence risk behavior among followers. The leader encourage the employees to take initiatives and take risks by adopting new methods for accomplishment of tasks and motivate them to work collectively, aligned with organizational objectives that ultimately increase organizational commitment (Walumbwa& Lawler, 2003).

This study conducted correlation analysis between idealized influence index and employee performance and found that the two variables were strongly correlated r(194) = .829, p< .000. The study found that idealized influence significantly predicted employee performance, β = .829, t(194)= 20.503, p < .000. The study findings supported Hayatiet al. (2014) who found that idealized influence was positively and significantly related to governmental hospital nurses in Iran. The study findings corroborated Hamidullah and Sait (2015) who found that idealized influence was related with job satisfaction in the case of private universities in Bosnia and Herzegovina. This finding implied rejection of the null hypothesis.

This study found that idealized influence explained a significant proportion of variance in employee performance, R²=686, F(1, 194) = 420.365, p<0.01. The study results confirm the findings by Hayati,Charkhabi&Naami (2014) who carried out a study to determine the effects of transformational leadership and its components on work engagement among hospital nurses and found that idealized influence had a significant and positive effect on vigor and dedication. The study finding also
supported results by Nguyen and Nguyen (2014) who found that idealized influence positively influence performance. These results suggested that among those transformational leadership behaviors which have a significant and positive influence on individual job performance, idealized influence is the second most important. Idealized influence among the leaders was found to lead to the establishment of a specific belief among members of staff toward their leaders and hence leaders can easily transmit their inspirational motivation to them. However, this study finding contradicted results by Datche and Mukulu (2015) which noted that there was a negative relationship between idealized influence and employee engagement among employees in the Civil service in Kenya. Brown and Arendt (2011) in their study of front desk supervisors in Malaysian hotels also found no relationship between idealized influence and employee performance.

Hayati, Charkhabi & Naami (2014) further noted that managers must repeatedly send signals that encourage commitment, respect, and loyalty for continued commitment from their followers. This finding implied that when leaders act as role models to their followers by promoting ethical values, leading by example, showing strong commitment to goals, creating trust and confidence in employees and encouraging risk taking, there would be improvement in performance of staff. The leader turns out to be admired, respected, and trusted by the employees who consequently want to emulate the leader. Idealized influence assimilates two dissimilar components of the relationship between the leader and the employee. Employees accredit the leader with certain abilities that employees wish to emulate, and the leader impress employees through their behaviors. The leader with idealized influence is honored, appreciated, and trusted. The employees have admiration for such leaders, and they identify with them and try to imitate them. Instead of using their position and leadership abilities to achieve personal interests, such leaders direct them to use the potentials of their employees and to achieve the aims of enterprise instead.

Therefore, according to the findings of this study, the greatest success of a leader who reaches a high level of confidence and appreciation with his employees is that his employees begin to imitate him because he acts as the role model, he is trustworthy, have ethical values and encourages employees to take risks.

5.2 Conclusions
The study correlated idealized influence and employee performance and found that all the items of idealized influence were positively and significantly related with employee performance. This study found that the two variables were strongly correlated $r (194) = .829, p< .000$. The study found that idealized influence explained a significant proportion of variance in employee performance, $R^2= .686$, $F (1, 194) = 420.365, p<0.01$. The study found that idealized influence significantly predicted employee performance, $\beta = .829, t (194)= 20.503, p < .000$. The study concludes that if a leader inculcates trust in employees, practices high ethical values, acts as a role model to the employees and encourages employees to take risks; these will positively affect employees work and hence high performance levels. So, a leader who practices idealized influence will encourage employees to perform at their best.

5.3 Recommendations
There is need to inspire the leaders of SMEs in Kenya to adopt the transformational leadership style, since it leads to outstanding employee performance according to the study findings. From the study it is clear that employees perform better when the leader is trustworthy, has ethical values, acts as a role model and encourages employees to take risks. The study recommends that for employees to perform
beyond expectations, leaders’ of SMEs should practice idealized influence of transformational leadership. Entrepreneurship is about taking risks, so for an enterprise to perform well employees should be encouraged to take risks.

REFERENCES


