INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE IN PRIVATE HEALTHCARE SERVICE ORGANIZATIONS IN KENYA: A CASE OF AGA KHAN UNIVERSITY HOSPITAL NAIROBI – MAIN CAMPUS

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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SPRING 2019
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, university or institution other than the United States International University in Nairobi for academic credit.

Signed: _______________________________ Date:______________

Mildred Nyaboe Maisiba (ID 650211)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ______________________________________  Date:___________________

Dr. Zachary Mosoti

Signed: ______________________________________  Date:___________________

Dean, Chandaria School of Business
ABSTRACT

The intent of this research was to investigate the influence of transformational leadership on employee performance in a private healthcare service organization. It examined the historical background of leadership and traced its progression from the great man theories to modern day relational theories. It highlighted contemporary leadership approaches, which included charismatic, servant, transactional and transformational leadership styles, and their effect on followers in relation to performance. This research was guided by three research objectives, which were to investigate if transformational leadership leads to employee motivation, to investigate if transformational leadership encourages innovation / innovative work behavior among employees, and to investigate if transformational leadership leads to increased job satisfaction.

The research highlights the research methodology used for the study. The research design was quantitative research. The ultimate goal of the research was to generalize findings to a wider population from which the sample was drawn. The population of the study was 696 employees of Aga Khan University Hospital Nairobi. It is from this population that the study sample was drawn. Probability random sampling was the sampling design of choice to allow all the elements in the accessible population to have an equal chance of being selected to the sample. The sample was selected through stratified random sampling technique since workers are of different levels. A structured and unstructured questionnaire was the primary data collection instrument. The questionnaire was pre-tested to improve it and a pilot study was also conducted to determine its reliability. Descriptive statistical analysis was conducted using Statistical Package for Social Sciences (SPSS) software. This included regression analysis, coefficient of correlation analysis and chi-square test as well as frequency tables. Findings of the study were discussed and conclusions were arrived at. Recommendations for improvement and further research were also made.

Findings of the study indicate that transformational leadership is positively correlated with employee motivation. Descriptive and statistical analyses indicated a strong positive correlation and cited leadership as a key factor in keeping employees motivated by creating an environment that allows motivational factors to thrive. The study also found that male leadership had a bigger effect on employee motivation than female leadership.
Findings of the study indicate that transformational leadership is positively correlated with employee innovation / innovative work behavior. Descriptive and statistical analyses indicated a strong positive correlation and showed that leadership is flexible enough to give employees a platform to be creative, share ideas with management, and have control of their work by allowing them to engage in alternative thinking to make their tasks easier. The study also found that male leadership has a bigger effect on employee innovation / innovative work behavior than female leadership.

Findings of the study indicate that transformational leadership is positively correlated with employee job satisfaction. Descriptive and statistical analyses indicated a strong positive correlation and showed that leadership makes effort to meet employees’ work and personal needs through open communication and being accessible to them. Findings also indicate that although there are certain areas where improvement is needed, by and large the leadership attempts to engage processes and provide support systems that boost employee satisfaction levels. The study also found that male leadership has a bigger effect on employee job satisfaction than female leadership.

The study concluded that transformational leadership has a direct positive effect on employee performance since it is positively correlated with employee motivation, employee innovation / innovative work behavior, and employee job satisfaction, all of which are determinants of performance.

The study recommended that the leadership of Aga Khan University Hospital Nairobi – Main Campus makes deliberate effort to implement activities and processes that increase motivation among employees, not only giving staff a platform to share ideas but also adopting and implementing those ideas that are deemed feasible, and ensuring equitable remuneration, benefits, promotions and annual raises based on performance ratings. These efforts will go a long way in driving employee productivity, thus delivering high quality patient care.
ACKNOWLEDGEMENT
First, I thank God Almighty who makes all things possible, at the appointed time and in perfect measure. I would like to thank my supervisor, Dr. Zachary Mosoti, for graciously accepting to supervise me, for his invaluable support, and for the opportunity to partake of his wealth of knowledge and excellence in academic writing.
DEDICATION

To my son Bryan Raymond, as a guide in your personal and academic pursuit, so you know that excellence in life comes at a sacrifice. To my Mama Jennifer Kwamboka Maisiba, for epitomizing resilience and excellence in the deep of adversity in a manner typical of only the strongest of women, for challenging me to marshal my God-given strength to be self-reliant, and for your unwavering conviction that, in the physical world, the value of education cannot be superseded by anything. Thanks to you Mama, in the peripheral annals of academic history my name will be inscribed! To my Daddy Barny Maisiba, thank you for believing in me, I will keep the promise and I will make you proud! To my sisters Evelyn and Esther, and all the girls in the great Maisiba family, A Luta Continua!
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LIST OF ABBREVIATIONS

AKUHN: Aga Khan University Hospital Nairobi
IWB: Innovative Work Behavior
DV: Dependent variable
IV: Independent variable
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

This chapter introduces the subject matter of the research study, which was to investigate if transformational leadership influences employee performance in a private healthcare service organization. It examines the historical background of leadership and focuses on contemporary leadership approaches with specific interest on transformational leadership, as the more synergistic style combining elements of other approaches, and its influence on followers. The chapter also defines the problem, states the research objectives, outlines the significance of the research and identifies knowledge gaps to justify the scope of the study.

Leadership has been a field of interest for centuries, evolving through different eras and metamorphosing into various modern leadership styles, each one carrying its own significance, applicability and influence on individuals, groups and organizations. Leadership has evolved from the early great man theories to the modern day’s relational theories (Van Seters & Field, 1990).

In the pre-industrial and pre-bureaucratic era, organizations were small and run by individuals. Skills and qualifications were not a requirement for a job. Organizations were simple and small in size, and the environment was stable. This made it possible for a single individual to coordinate and control all activities and stay on track. A leader was glorified and was seen as the only one with inner abilities to perceive the big picture and how everything else fitted into it. Emphasis was on the personal traits of a leader. Great man and trait theories existed in this era (Daft, 2015).

In the hierarchy and bureaucracy era, organizations began to enlarge and, therefore, rules and procedures became necessary to ensure efficiency and effectiveness. Hierarchy of authority provided a mechanism for supervision and control. This era gave rise to the “rational manager”, a figure that controls and directs others using an interpersonal approach with focus on details rather than the big picture. Though the leader was the focus of the leader-subordinate relationship, the subordinate played a key role in defining the relationship. An interesting observation in this era is the introduction of group dynamic. Behavioral and contingency theories were dominant in this era (Ahmed, Nawaz, & Khan, 2016).
Team leader and change leader era led to competition as rational management techniques failed to achieve efficiency. The era was rife with confusion for leaders. Knowledge of work, emphasis on horizontal collaborations and a shift to influence theories emerged. Organizational structures and cultures were changed – team-based approaches, downsizing, re-engineering, quality programs and employee empowerment were introduced with the aim of improving employee performance and getting them more motivated and committed to the organization. Leadership was no longer viewed as one person firmly in control, rather, a collective responsibility among leaders and members. Leadership within the team shifted to the person with the most knowledge of the matter at hand (Daft, 2015).

The leading leader appears in the digital information era. Change is inevitable and fast, often shifting from one paradigm to another. Leaders emphasize relationships and networks and influence others through vision and values as opposed to power and control. Leaders continuously experiment, learn and change personally and professionally and encourage others to develop and grow and in that way contribute to innovation. Relational theories exist in this period (Daft, 2015).

Leadership has evolved from leader-centric approaches in the early 20th century which focused on leadership as positional authority utilizing effective traits and styles to achieve outcomes, to modern day styles that put the follower development at the center of the leadership process (Komives & Dugan, 2011). It has evolved from the social construction which associated leadership with hierarchical relationships, achievement and power leverage, to effective management encompassing the ability of a leader to motivate, mobilize and influence commitment and productivity from followers (Komives & Dugan, 2011). The contemporary approach focuses on leadership as process-oriented as well as follower empowerment and development (Rost, 1991). Rost (1991) further argues that the contemporary approach, catalyzed, enlivened and bolstered by Burn’s scholarly Leadership book in 1978, was a paradigm shift from the traditional perspectives to system approaches, reciprocal relationships and collaborative processes.

Contemporary theories are numerous and emphasize leadership as collaborative and relational. Burke et al. (2007) states that a leader’s ability to relate to his or her followers’ needs is the foundation for building trust. Uhl-Bien (2006) describes a relational leader as one who thrives on relationships and has a liking for people. According to Knippenberg
strong relational bonds between leaders and followers is equivalent to mutual benefit and interest for all individuals in an organization. The element of self is not present in a relational situation. Both the leader and employee are motivated to consider what is favorable for the other.

There is no single leadership model that can enable a leader to effectively relate to every employee in an organization. In order to address individual concerns of employees and other people in the organization, a leader must harness the strengths of various models to customize an approach that can allow him or her to assess every individual’s needs in order to achieve improved performance from team members (Uhl-Bien, 2006). Some of the most prominent contemporary approaches include transactional leadership, charismatic leadership, servant leadership and transformational leadership (Komives & Dugan, 2010).

Transactional leadership was first proposed by Max Weber in 1947 and was later advanced by Bernard Bass in 1981. It is exchange-based and has clearly defined rewards for met goals and punishment for non-compliance. Excellent performance is rewarded with promotions and monetary bonuses while organizational policy or rules violation and missing expectations attracts a form of punishment (van Knippenberg et al., 2004). Cole & Bedeian (2007) define a transactional leader as one who leads by reward and punishment. Commitment and predictability are characteristic behaviors of transactional leaders (Burke et al., 2007). Inherently, transactional leadership is organizational structure-oriented as subordinates rely on superiors for guidance. Employees are motivated through rewards and correction of errors (Agbim, 2013).

Charismatic leadership originates in Max Weber’s proposition of charismatic authority, which he described as a personality attribute that is special in the sense that it gives a person unique powers that lead to him or her being looked up as a leader. House (1976) described charismatic leadership as being a leading figure and one with a strong desire to influence others, a strong sense of one’s own moral values and self-confidence (Northouse, 2001). According to Waldman (2004), a charismatic leader is capable of increasing firm performance by introducing strategic change. Charismatic leaders are able to persuade followers to perform better through their charismatic ability (Finkelstein, 1992). They draw a lot of admiration and motivation from followers who look up to them for direction and guidance (Shamir, House & Arthur, 1993).
It can be said that the notion of servant leadership goes back more than 2000 years ago and was first introduced by Jesus Christ from the Biblical accounts of His teachings (Sendjaya & Sarros, 2002). Robert Greenleaf in 1970 and 1977 further built the concept in the context of corporate settings in his essays (Sendjaya & Sarros, 2002). He viewed a servant leader as subservient to ideas and enablement of others to achieve desired outcomes (Greenleaf, 1977). He further states that servant leaders put the interest, needs and aspirations of others above their own and that service to others is their chief motive. On the basis of Greenleaf’s writings, Spears (1995) identified ten characteristics of servant leadership. These are listening; empathy; healing; awareness; persuasion; conceptualization; foresight; stewardship; commitment to the growth of people; building community. This leadership approach, however, suffers several setbacks. Bowman (1997) argues that understanding of this approach is limited, as only anecdotal evidence exists. Empirical research is also scarce. This is attributed to the inherent difficulty in acting as both a leader and servant. Nonetheless, scholars have picked interest in understanding the relationship and complementary roles between leadership and servanthood (Sendjaya & Sarros, 2002).

According to Bi, Ehrich & Ehrich (2012), transformational leadership can be traced back to the time of Confucius. They argue that Confucius exhibited transformational leadership attributes, and that through his leading concepts and practices people learned and were guided towards exercising compassion and humility in their lives. Having lived during a period of political, social and moral chaos in Chinese history, Confucius and other thinkers were stimulated by the turbulence of the time to devise ways of restoring social order. Confucius aimed to use education to bring about social reforms - creating an ideal social order by nurturing ideal ways of life and full development of the individual personality (Bi, Ehrich & Ehrich, 2012). According to Bass (1985) as cited in Bi, Ehrich & Ehrich (2012), Confucius as a transformational leader persuaded through negotiation, participation and empowerment. Confucius embodies transformational leadership through his way of life, pursuits and the virtues he demonstrated as well as influence on his followers.

Conceptually, transformational leadership is premised on focus on organizational objectives. According to Bass (1990b), transformational leadership occurs when leaders expand and raise their employees’ interests, create awareness and acceptance of the group’s mission and purpose, and when ignite in employees a desire to look beyond self-interest and focus on the interests of the group. It comes into play when there is a recognized need
or demand by potential followers (Bi, Ehrich & Ehrich, 2012). Intrinsically, transformational leadership has the element of morality. Bass & Steidlmeier (1999) reintroduced transformational leadership as morally uplifting through its emphasis on the moral character of the leader, the ethical values underlying the leader’s vision and the fostering of a culture of shared values, as well as morally grounded collective processes between a leader and followers (Parolini et al., 2009).

Transformational leadership is distinctly among the most popular approaches to understanding the effectiveness of leaders. Research supports the premise that transformational leaders influence follower behaviors through a process by which the leader appeals to followers’ ideals and values. In doing so, the leader enhances follower commitment to their vision and inspires them to develop new ways of thinking about their work (Boerner et al., 2007).

That transformational leadership is referred to as a sophisticated leadership behavior is not a misnomer. Empirical evidence points to a number of positive outcomes associated with it. This style of leadership focuses on the process of leaders directing followers towards long-term objectives. Transformational leaders are credited with the art and ability to modify the way followers perceive themselves in a way that enhances commitment and involvement in a common objective. Bass & Avolio (1994) outline the following as critical dimensions of transformational leadership: individualized consideration - the extent to which a leader pays attention to the needs and concerns of followers and helping them through situations; intellectual stimulation – leaders encourage followers to develop new and different solutions to common problems and conducting work in new ways; inspirational motivation – ability of a leader to facilitate optimism and commitment towards an organization’s vision and its goals; idealized influence - behavior that draws admiration, trust and respect from followers.

In this knowledge era, globalized economy and the changing societies, effective leadership is a necessity (Godwin, 1998). Traditional leadership styles are being relegated and contemporary leadership competencies have taken center stage (Strielkowski et al., 2016). The dynamism of the modern day business environment dictates that leaders adopt approaches to leadership that can allow them to confront their realities by understanding their roles in relation to the environment they are in (Godwin, 1998). Leaders are no longer
confined to the familiar realms of their home countries, they are traversing nations and continents and must as a basic necessity be able to fit into these new environments. Wherever they are, leaders must be conversant with the dynamism of their environment and employ a style of leadership that will diffuse cultural barriers, attract followers and inspire and motivate them to buy into the leaders’ vision (Godwin, 1998).

Modern management puts employees at the center of organizational objectives (Strielkowski et al., 2016). Human capital is a critical resource and organizations must engage leaders who integrally have the ability to mobilize, retain and lead followers to the common goal of achieving organizational growth and sustainability (Memon, Mangi & Rohra, 2009). While this is so, it is important to assess a leadership style on the basis of its influence on employee performance. Transformational leadership fits into the bracket of leadership styles that offer competitive advantage to organizations and businesses (Khan & Anjum, 2013). The interest of this research is to investigate its relationship with employee performance, with specific focus on a private healthcare service organization. It is, therefore, of essence to understand if transformational leadership, which has been touted as a model leadership for efficiency and organizational progression, best supports optimum employee performance as a key ingredient for achieving organizational success and growth (Choi et al., 2016).

1.2 Statement of the Problem
Human capital is increasingly becoming the nerve center of organizations (Gabčanová, 2011). More and more, organizations are investing in human capital development in order to build a workforce that will effectively complement its strategic goals through performance. It has become common knowledge that upscale systems and infrastructure stand for nothing if employees are not treated in a way that buys their interest in the objectives of the organization (Audu & Gungul, 2014). Human capital development activities range from complex training programs modeled for different functions within industries to social activities aimed at building and improving employee morale (Sofo & Rylatt, 2009). However, besides training and development programs, leaders should recognize performance as a more impactful motivator than other ways of engaging employees towards meeting organizational objectives (Kaufman, Chapman & Allen, 2013).
Different modern leadership approaches account for different levels of performance amongst employees. While some have employees at the periphery, others have their focus on employees and how best to engage them to a level of performance that greatly contributes to the organization’s growth (Batista-Taran et al., 2009). Leadership approaches that focus on employees include people-oriented, servant and transformational leadership. People-oriented leaders focus on organizing, supporting and developing team members, and work to ensure that their members’ needs are met (Oni, 2017). Servant leaders characteristically include employees in decision-making and supporting and working collaboratively with them which contributes to making employees feel like part of the team and important team players (Sendjaya & Sarros, 2002). Transformational leaders work to inspire employees to perform their best (Odumeru & Ifeanyi, 2013).

Literature supports the philosophy that transformational leadership works best in providing a platform for employees to perform well. Burns (1978) postulates that transformational leadership incorporates charisma and vision, and works towards influencing followers on a one-on-one, group or organizational level. Yukl (1998) states that transformational leadership is a process of building commitment to organizational objectives and then empowering followers to accomplish those objectives, leading to enhanced follower performance. While this is so, it remains to be determined if indeed the positive effect of transformational leadership on employee performance can be applied across industries.

Preliminary research has not directed to extensive literature investigating the influence of transformational leadership on employee performance specifically in the private healthcare service industry in Kenya. It is, therefore, necessary to conduct this research in order to establish if transformational leadership has a positive effect on employee performance in private healthcare service organizations. This research provided a framework for reference by other private healthcare service providers and also set the tone for future research in line with the changing business environment.

1.3 General Objective
The purpose of this study was to investigate the influence of transformational leadership on employee performance in Aga Khan University Hospital Nairobi (AKUHN), a private healthcare service organization in Kenya.
1.4 Specific Objectives

1.4.1 To investigate if transformational leadership leads to employee motivation.
1.4.2 To investigate if transformational leadership encourages innovation / innovative work behavior among employees.
1.4.3 To investigate if transformational leadership leads to increased job satisfaction.

1.5 Significance of the Study

1.5.1 AKUHN and other Private Healthcare Practitioners
Owing to limited literature focusing on Kenya in this area of research, the findings of this study will be of great importance by providing a point of reference to existing and would-be practitioners of private healthcare services in the country. This is especially so in this era of cutthroat competition where private healthcare providers need to adroitly leverage available human and material resources to ensure the industry is sustainable. Adoption of a leadership style that best meets this key objective through positive influence on employee performance will be a key recipe for the industry to experience sustainable growth in the face of a changing business and technological environment.

1.5.2 Future Researchers / Academicians
Another stakeholder that stands to gain from this research is the researcher through acquisition of knowledge and contribution to the body of knowledge. The outcomes will be a reference point for future researchers in this field.

1.5.3 Human Resources Practitioners
The research will be of interest to human resources practitioners as it will instigate and augment philosophical thinking in areas of leadership and employee performance.

1.6 Scope of the Study
This study was conducted at Aga Khan University Hospital Nairobi main campus (AKUHN). AKUHN is a private not-for-profit healthcare service facility situated on 3rd Parklands Avenue, off Limuru Road, Parklands Nairobi. Established in 1958, the hospital has grown from a small primary care facility to a 300-bed premier, tertiary, teaching and referral hospital in sub-Saharan Africa, and a leader in the industry both in terms of service lines and technology. AKUHN’s address for purpose of this research was P.O. Box 30270 – 00100, Nairobi, Kenya. Respondents were drawn from AKUHN main campus employees
who numbered 696 and were selected from different cadres to make the sample representative of the entire employee mix. The study was conducted over a period of 6 months, from February 2018 to August 2018, within which time data was collected, assessed, analyzed, interpreted and conclusions drawn.

Due to time restrictions, it was not be possible to conduct multiple case studies in order to be able to generalize findings to a wider population of private healthcare service providers. As a result, only one case was studied, and though it may not constitute a definite ground for generalization within the industry, it will nonetheless significantly shed some light on the subject of study and possibly ignite the drive for further detailed research to build a reference base and potentially lead to formulation of new theories.

1.7 Definition of Terms

1.7.1 Transformational Leadership
A process of building commitment to organizational objectives and then empowering followers to accomplish those objectives, leading to enhanced follower performance (Yukl, 1998).

1.7.2 Motivation
A force that drives or induces an individual to attain the desired goals (Balouch, 2006).

1.7.3 Innovation / Innovative Work Behavior
All employee behavior aimed at generation, introduction and/or application (within a role, group or organization) of ideas, processes, products or procedures, new and intended to benefit the relevant adoption (de Spiegelaere et al., 2014).

1.7.4 Job Satisfaction
Job satisfaction is a satisfying or positive emotional condition that an employee derives from his or her job or the experience therefrom (Locke, 1976).

1.7.5 Downsizing
A set of activities that management undertakes to improve organizational efficiency, productivity, and competitiveness by strategically reducing a firm’s work force, costs and work processes (Cameron, 1994).
1.7.6 Re-engineering
This is the process of reviewing all work aspects that impact performance including processes, individual jobs and reward systems, organizational structure, management systems and organization culture in order to facilitate improved performance for a financially and operationally efficient organization (Cypress, 1994).

1.8 Chapter Summary
This chapter introduced the subject of leadership, delving into the historical background and development and narrowing it down to transformational leadership, which is the fabric of the study. It elaborated the statement of the problem, enumerated the importance of the research, detailed out the scope of the study and also introduced business terms and their definitions. Chapter two focused on literature review, chapter three centered on the research methodology, chapter four presents results and findings, and chapter five discusses the findings, draws conclusions and makes recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The focus of this chapter was review of literature with specific emphasis on transformational leadership style in both healthcare and non-healthcare work environments. The review analyzed qualities of transformational leadership and attempted to establish positive linkages between the leadership style and employee performance by evaluating its association with employee motivation, employee innovation / innovative work behavior, and employee job satisfaction, all of which are indicators of employee performance, and which form the study’s specific objectives.

2.2 Effect of Transformational Leadership on Employee Motivation

2.2.1 Employee Motivation Overview

Motivation has been defined in various ways by different scholars. According to Luthans (2005) motivation can be effectively explained as a process through which the force within humans is driven toward a desired goal or aim set in mind. Baluch (2006) defines motivation as the energy within a person that prompts him to achieve an anticipated goal. According to Robbins et al., 2010) motivation is an individual’s strength of effort to achieve desired goals. Motivation comes from the word “motive” which means to move in pursuit of goals. Therefore, goals or objectives have to be present for motivation to arise. Motivation can be positive, negative or neutral. Positive motivation features salaries and remuneration, recognition of roles or extra-ordinary achievements and fringe benefits. Negative motivation can have a negative effect on employee job performance.

2.2.1.1 Theories of Motivation

Maslow (1943) gives his theory, which is one of the oldest and most known and discussed. He postulates that human behavior is goal-directed. He draws a distinction between five basic needs, hierarchically arranged and inherently related. Satisfaction of one need leads to the pursuit of the next level need.

Motivation-hygiene theory (Herzberg et al., 1959) assumes that hygiene factors and motivators motivate people. Motivators positively satisfy while hygiene factors have no motivating effect if they are present but will demotivate if not present. Amabile (1993)
further states that motivators have to do with work itself while hygiene factors relate to the
surrounding context.

The three needs theory by McClelland (1961) postulates that an individual is motivated by
one of three needs which are affiliation, achievement and power, and that these motivators
are inherent and are developed through culture and life experiences.

Goal setting theory assumes that human actions are regulated by goals and that goal-setting
has effects on performance. It further states that individuals who set specific and difficult
goals record better performance than those whose goals are simple (Locke & Latham,
2006). According to Lunenburg (2011), goals that are difficult lead to greater determined
effort and mobilize energy. Goals act as a motivator towards developing strategies that will
facilitate performance at requisite goal levels. Ability to accomplish set goals can lead to
higher motivation and satisfaction (Lunenburg, 2011). Transformational leaders
classically pursue difficult goals, therefore, we can say that this theory relates to
transformational leadership.

2.2.1.2 Types of Motivation
In an organizational context, the concept of motivation is described on the basis of its
nature. Motivation can be intrinsic or extrinsic (Barbuto, 2005). Intrinsic motivation refers
to people engaging in activities that they enjoy doing – the reward is internal to the
individual. It reveals an innate tendency to seek out new things and challenges to the extent
of one’s capacity as well as exploring and learning (Ryan & Deci, 2000-b). According to
Deci & Ryan (1985) intrinsic motivation comes from within the individual or from the
activity the individual is engaged in. He or she will work on a task because they find it
enjoyable and not because there will be a reward for it. Consequently, the reward is in the
task itself, which should derive fulfilment and satisfaction for an employee (Osterloh &
Frey, 2000). In summary, intrinsic motivation flourishes in an environment where certain
important task characteristics are present or the work content is satisfactory and fulfilling
(Isfahani, Bahrami & Torki, 2013).

Extrinsic motivation refers to behavior driven by rewards external to the individual. Ryan
& Deci (2000-a) and Amabile (1993) agree that intrinsic motivation is important but that
most people are extrinsically motivated to engage in activities. They see extrinsic
motivation as a means to an end. They have sufficient reason to believe that their undertaking of the activity will yield desirable results in the form of rewards or avoidance of punishment (Pintrich & Schunk, 1996).

2.2.2 Transformational Leadership

The concept of transformational leadership was introduced by James McGregor Burns in 1978 and was defined as a process that often incorporates charisma and vision, and works towards influencing followers on a one-on-one, group or organizational level. Transformational leadership is one of the most extensively studied contemporary leadership styles. The original idea was that of a transforming leader introduced by Burns (1978). Burns’ idea of a transforming leadership was that it manifests when leaders and followers engage in such a manner that they raise each other to greater motivation and morality levels (Burns, 1978). He further states that leaders are adroit in assessing motives of followers, predicting their reactions to a project and estimating their power bases than the contrary (Burns, 1978). Though Burns’ focus was on political leadership, it ignited the development of leadership theory as empirical studies indicate. Bass (1985) empirically examined the theory and called it transformational leadership. Other contributors to this concept include Bennis & Nanus (1985) and Tichy & Devanna (1986). Yukl (1998) defines transformational leadership as a process of building commitment to organizational objectives and then empowering followers to accomplish those objectives, leading to enhanced follower performance.

Northouse (2001) enumerated six qualities of a successful transformational leader. One, the ability to empower followers to do what is best for the organization; two, a strong role model with high values; three, the ability to listen to all viewpoints to be able to instigate a spirit of cooperation amongst followers; four, the ability to create a vision with employees; five, the ability to be a change agent and leading by example in initiating and implementing change; six, helping others to contribute to the organization. For this study, transformational leadership has been defined on the basis of its effect on employees’ performance. According to Bass & Avolio (1994), transformational leadership naturally achieves higher performance than other leadership styles by setting more challenging expectations and achieving them through enthusiasm and energy. Existing literature provides a number of studies that have identified positive effects of transformational
leadership on motivation, innovation / innovative work behavior and job satisfaction amongst employees leading to higher employee performance.

Transformational leadership is positively linked to high employee as well as organizational performance. This arises from the transformational leader’s ability to effectively ignite a desire in followers to pursue, and work towards, a common or collective goal (Podsakoff et al., 1990). In exploration of transformational leadership, researchers have, in their studies, included motivational effect as a dependent variable (Shamir et al., 1993). Kane & Tremble (2000) and Lowe et al. (1996) among many others, have also studied transformational leadership against dependent variables such as satisfaction, commitment, motivation and performance of the employees and established that a positive relationship exists. In recent years, studies by Eisenbeiss et al. (2008) and Kearney & Gebert (2009) have examined transformational leadership and found it to be effective in increasing follower performance and expectations. This leadership concept is now closely linked to various outcomes with regard to followers, such as their creativity (Gumusluoglu & Ilsev, 2009), performance and satisfaction (Vecchio et al., 2008).

2.2.3 Transformational Leadership and Motivation

According to Yukl (1994), a transformational leader motivates followers to transform their values and priorities causing them to perform beyond their expectation. Transformational leadership assumes that people follow a leader who inspires them – the followers accept and internalize the values expressed by their leader (Jung & Avolio, 2000). Avolio (1999) states that transformational leadership involves motivation of others.

Various researches conducted to investigate the effect of transformational leadership on employee motivation have found a positive effect on motivation of employees. A transformational leader is more likely to inspire and motivate his followers by emphasizing creation of involvement of followers and making effort to encourage extra effort through establishment of an environment of trust and commitment (Kappen, 2010). Webb (2007) in his study confirmed that in order for leaders to increase motivation amongst staff, they should focus their attention on behaviors associated with charisma or intellectual stimulation and consideration for others in order to realize results. These behaviors are characteristic of transformational leadership. Therefore, we can conclude that transformational leaders do have a positive effect on employee motivation. Additionally,
Judge & Piccolo (2004), without distinguishing between transformational leadership’s four dimensions (idealized influence, individual consideration, intellectual stimulation and inspirational motivation) demonstrated that it has a positive impact on follower motivation.

### 2.2.3.1 Transformational Leadership and Intrinsic Motivation

According to Barbuto (2005, p.31), “Intrinsic / internal motivation embodies the person and his or her emotions, encompassing fun, trust, and self-worth, all of which are derived from internal influences. These qualities are similar to those needed for transformational behaviours”. Therefore, it can be said that a relationship exists between transformational leadership and intrinsic motivation, as both concepts commonly feature internalization of focus and process as a whole as well as task outcomes. Kalar & Wright (2007) argue that a transformational leader’s craft to motivate followers is made clear when transformation of followers’ beliefs and values align with goals and values of the organization. Followers’ intrinsic motivation is built as they perceive the organization’s success as their own (Kalar & Wright, 2007). Transformational / charismatic leaders, through enhancement of the followers’ self-esteem and self-efficacy, play a role in increasing their performance (Shamir et al. 1993). Therefore, it can, be concluded that transformational leadership positively influences intrinsic motivation.

### 2.2.3.2 Transformational Leadership and Extrinsic Motivation

Judge & Piccolo (2004) state that transformational leaders concentrate more on Maslow’s higher order needs and look beyond short-term goals. Transformational leadership emphasizes subordinates’ internal needs and the process of creation of involvement. Therefore, it stands in contrast to extrinsic motivation which is more concerned with the lower order needs. An extrinsically motivated individual seeks extrinsic rewards. The influence of a transformational leader on this individual will have little or no effect to engage more effort on the task as they are already motivated by the reward. Kappen (2010) investigated the effects of leadership styles on motivation and concluded that both transformational and transactional leaderships were positively correlated with motivation in general. However, transformational leadership had higher correlation than transactional leadership. On the types of motivation, transformational leadership related with intrinsic motivation whereas transactional leadership related with extrinsic motivation. Therefore, it can be assumed that transformational leadership has a weak correlation to extrinsic motivation.
2.2.4 Effect of Motivation on Employee Performance

2.2.4.1 Employee Performance Overview

Aguinis (2009) defines performance as what employees do. It is the behavior of an employee that leads to employing effort in an environment of supportive organizational policies to enable the employee achieve something. There are numerous determinants of performance, such as educational qualifications, experience, quality and style of supervision, support from other colleagues, working environment, health condition of employees, compensation package – financial or non-financial (directly linked to motivation where absence of compensation leads to demotivation and negative influence on performance), job security, age, production materials, retirement and other benefits, and loyalty or commitment (Aguinis, 2009). Campbell (1990) and Aguinis (2009) suggest additional factors that serve to complement general determinants of performance. These are: declarative knowledge - knowledge about facts, principles, and objects among others. It represents the knowledge of a given task's requirements, technical skills to be able to accomplish a task; procedural knowledge - having certain skills in knowing what to do and how to do it; motivation - the driving force behind every human activity.

2.2.4.2 Motivation and Employee Performance

Shadare et al. (2009) state that motivation is a crucial factor in organizational performance. Organizational performance is driven by employee performance, therefore, employee motivation is a key policy for managers and leaders to use in improving job management. Motivated employees record better performance by increasing their willingness to work. Guay et al. (2000) and Vansteenkiste et al. (2006) hold that motivated employees are more committed to their work than those that are less motivated. Azar & Shafighi (2013) also posit that motivation directly influences employee performance and that motivated employees put in more effort leading to improved performance.

Motivation theorists agree that employee performance will be optimum if they are satisfied. Koch (1990) and Stuart (1992) both agree that recognizing and appreciating employees for jobs well done are top motivators of employee performance. Knippen & Green (1990) contextualize examples of positive reinforcement for employee motivation. These include: workplace visits by top executives to high-performing employees; personal handwritten notes of appreciation accompanying paychecks; telephone calls by top executives to employees at home. Motivated employees are highly engaged, self-driven, involve
themselves in their work and tend to responsibility seriously (Shahzadi et al., 2014). Grant (2008) studied employee motivation and established that motivation led to performance, productivity and persistence. A similar study was carried out to investigate the effect of motivation on employees and it was concluded that employee performance increases when employees are more motivated (Asim, 2013). To achieve high levels of performance, employees should be motivated through objectives that they accept and participate in setting, difficult but achievable, specific, measurable and observable objectives with a clear target date (Latham & Locke, 1984; Yearta et al., 1995; Locke, 1996).

In the local context, Omollo (2015) conducted a study on effect of motivation on employee performance of commercial banks in Kenya. She concluded that motivation was directly proportional to the output of employees and recommended that managers devise and employ a comprehensive motivation scheme in order to realize positive employee output.

In healthcare, the increasing interest in quality improvement has led to numerous scholars investigating the performance of health workers in the context of motivation. Aduo-Adjei et al. (2016) investigated the impact of motivation on the work performance of health workers in a teaching hospital in Ghana. The study found that motivation has a positive effect on work performance and that both intrinsic and extrinsic motivational factors impact performance of health care workers. Therefore, motivation has a positive correlation with employee performance.

2.3 Effect of Transformational Leadership on Employee Innovation / Innovative Work Behavior

2.3.1 Employee Innovation / Innovative Work Behavior Overview

The concept of Innovative Work Behaviour (IWB) was launched by Scott & Bruce (1994, 1998) and since that time the literature has steadily increased. In spite of the rich literature, the conceptual development of IWB is still scanty. Evidently, scholars have not provided a definition for this concept. Attempts at defining IWB have been directly related to the definition of innovation by West & Farr (1990) and these definitions have rarely been adopted by other scholars. Thus, there does not exist a generally accepted definition of IWB and those that exist have been noted to contain various drawbacks. Inasmuch as they do not contain contextual reference, it will be insufficient to comprehensively allude to them. Therefore, reference to existing literature will be limited to the extent that it applies to
transformational leadership, employee innovativeness and relatedness to employee performance.

De Spiegelaere et al. (2014, p.144) describe IWB as “all employee behavior aimed at generation, introduction and/or application (within a role, group or organization) of ideas, processes, products or procedures, new and intended to benefit the relevant adoption”. Here, emphasis is on both new innovations and existing ones being improved or made better by the introduction of new ideas or concepts. The definition by de Spiegelaere et al. (2014) also highlights the importance of employee output and attitudes.

According to de Jong & den Hartog (2010) innovation is a multi-stage process consisting of the following four elements: idea exploration - searching for ideas to develop and improve actual products and processes; idea generation – reorganization and combination of information to problem solve and increase current performance; idea championing – promoting ideas new to the organization; idea implementation - developing, testing, and where necessary revising newly developed products and processes.

According to de Jong & den Hartog (2007) previous research exists that shows that leadership behaviors and employees’ idea generation and application are positively related. Evidence alludes to leadership behaviors impacting employees’ idea generation and application. Crant (2000) posits that innovation is a form of employee proactive work behavior. According to Dress & Pickens (2000) innovation is one of the key factors that determine when an organization is successful or fails. Yuan & Woodman (2010) state that employees’ IWB can lead to achieving positive performance outcomes.

2.3.2 Transformational Leadership and Employee Innovation / Innovative Work Behavior

According to Ferris et al. (1995), employees’ interpretations and responses are influenced by a leader’s observed intentionality and will lead to certain behavior. Intellectual stimulation and support behavior of a transformational leader can positively influence employees’ innovative behavior through creation of new ideas and reorganizing existing work processes. Other research also positively relates transformational leadership to idea exploration and championing. Reuvers et al. (2008) and Afsar et al. (2014) also support the position that transformational leadership positively relates to the four elements of IWB.
A transformational leader who stimulates employees intellectually enhances their idea exploration by making use of their abilities to look for new ideas for product and process improvement. Combining mentoring, support and coaching with intellectual stimulation by a leader creates an environment for searching for new processes and products, as well providing a ground for information reorganization so as to solve problems and also improve performance. Transformational leadership focus on creating commitment and a shared vision among employees is essential in order to facilitate sharing of innovate ideas between employees (Ahmad et al., 2014).

Lim & Ployhart (2004) point to innovation as one of transformational leadership’s considerations. Oke et al. (2009) and Jung et al. (2003) also identify transformational leadership as having a substantial impact on innovative behavior of employees. Jung et al. (2003) also posit that transformational leadership indirectly augments employees’ innovative behavior through influence of employees’ organizational commitment (Avolio et al. 2004) and encouraging employees’ generation of new ideas through creating an environment that inspires employees to produce new concepts and ideas (Scott & Bruce, 1994).

Transformational leaders contribute to increase in organizational innovation (Gumusluoglu & Ilsev, 2009) and entrepreneurial goals of employees (Pieterse et al., 2009). This results from transformational leaders’ expectation of employees’ high performance. Characteristically, transformational leaders inspire subordinates to influence their creative tendencies through pursuit of entrepreneurial intentions. Other studies that positively relate transformational leadership to employee creativity include Mittal & Dhar (2015) and Shin & Zhou (2003). In their argument, these scholars state that transformational leaders positively affect employees’ power of idea generation by caring for employees’ wants and needs related to social activities.

2.3.3 Effect of Employee Innovation / Innovative Work Behavior on Employee Performance

West & Farr (1990) define IWB as the generation, realization and promotion and of new ideas within the precincts of job role, workgroup or organization for purpose of benefiting role performance as well as the group or organization. Consequently, researchers have agreed that innovative work behavior includes employee creativity and implementation of
the generated ideas (Anderson et al., 2004; Axtell et al., 2000). Examples of innovative work behavior include thinking in alternative ways, searching for improvements, figuring out new ways to accomplish tasks, looking for new technologies, applying new work methods, and investigating and securing resources to make new ideas happen (Dörner, 2012).

Studies have been conducted attempting to clarify if IWB positively affects job performance. Katz & Kahn (1978) relate job performance to meeting expectations of one’s job. According to Judge et al. (1998) and Vroom (1964) performance is a function of motivation and ability. Waldman & Spangler (1989) further propose that performance is anchored on two variables: individual characteristics encompassing experience, ability and motivational factors; and leader behavior and group processes. Thus, an assumption is made that these variables, through their effect on the individual, indirectly influence performance. A study conducted by Dörner (2012) also found that IWB positively relates to task performance, implying that innovative efforts lead to task performance improvements.

IWB as extra-role performance has also been found to contribute positively to job performance (Podsakoff et al., 2000). Podsakoff et al. (2000, p.524) state that “voluntary acts of creativity and innovation [are] designed to improve one’s task or the organization’s performance”. Van Dyne & LePine (1998) have also conducted empirical studies linking extra-role behaviors to individual task performance.

Innovation in healthcare settings has also been investigated. Health systems do become mundane when they have not been changed for a while and when this happens, they do not provide desired results (Plsek, 1999). Most importantly, people have become more aware of quality healthcare and demand best value for money. Changing processes of care improves medicine practice and leads to better patient care management (Berwick, 1998). In the circumstances, healthcare organizations have to devise new ways of doing things and this includes engaging staff in finding new ways to improve care delivery. Engaging staff in the thinking process facilitates generation of new ideas on how best patient care can be optimized (Plsek, 1999).
From the studies mentioned above, it is evident that innovation or innovative work behavior of employees leads to increased task or job performance. Managers, therefore, occupy a crucial role in boosting innovation / innovative work behavior of employees by encouraging them to engage alternative thinking, devise new and improved ways of task handling, restructuring work methods and introducing new technologies to boost work performance. Transformational leaders are characteristically proactive and good in developing ideas, and, through individual consideration, encourage and support their followers. This support combined with positive feedback on employees’ innovative ideas or actions boost their efficiency. Intellectual stimulation plays the role of involving employees in decision-making which introduces them to environments that instigate and precipitate creativity and innovative ways of finding solutions to challenges. In effect, transformational leaders help employees see the big picture and work towards succeeding in their efforts (Contreras-Torres et al., 2017).

2.4 Effect of Transformational Leadership on Employee Job Satisfaction

2.4.1 Employee Job Satisfaction Overview

Locke (1976, pg.1304) defined job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences”. He further states that job satisfaction is a satisfying or positive emotional condition that an employee derives from his or her job or the experience therefrom. According to Bernstein & Nash (2008) job satisfaction comprises emotional, cognitive, and behavioral components. The emotional component concerns feelings such as acknowledgement, excitement, anxiety and even boredom, related to the job. Many other scholars also define employee job satisfaction in the lines of emotions, cognitions, behaviors and attitudes within the context of the employees’ job. The cognitive component on the other hand focuses on the beliefs regarding the job such as respectability, effect of the job on the mental in terms of demand / challenge and rewards accruing from the job. The emotional component refers to job-related feelings such as boredom, anxiety, acknowledgement and excitement. Finally, the behavioral component includes employees’ actions relating to the job, for example sluggishness, truancy, absenteeism and lack of punctuality (Bernstein & Nash, 2008). Job satisfaction has been widely researched and this review will attempt to establish if it is positively related to job performance in the context of a private healthcare setting in Kenya.
2.4.2 Transformational Leadership and Employee Job Satisfaction

Since the 1920s, research has been conducted on the importance of leadership. These efforts have produced studies confirming how significant leadership is in employees’ job satisfaction. This includes studies done in the 1950s and 1960s, aimed at investigating how managers could use their leadership behaviors to increase levels of job satisfaction in employees (Northouse, 2004). Brockner (1988), Chen & Spector (1991) and De Cremer (2003) state that the quality of the relationship between employees and leaders has a positive impact on the self-confidence and job satisfaction of employees, and highlights leaders’ support and consideration of employees as instrumental to higher levels of employee job satisfaction. As a result, a leadership approach is crucial in determining employee job satisfaction (Al-Ababneh, 2013).

Various leadership styles have been found to impact employee job satisfaction. However, transformational leadership has been touted as one of the most effective in improving employees’ job satisfaction levels. Relevant literature shows that theorists have generated relationships between employee job satisfaction and transformational leadership as a result of its nature (Bodla & Nawaz, 2010; Omar, 2011).

Cumming et al. (2010) in their study commended adoption of transformational leadership in order to achieve appropriate selection of employees, create or develop a positive work environment, improve employee satisfaction and reverse employee turnover. Miles & Mangold (2002) also highlighted the importance of leaders’ performance and effective supervisory interaction with employees in facilitating job satisfaction. Transformational leadership effectively encompasses all the facets of employee job satisfaction through its characteristics. In his study of Islamic Azad University in Tehran, Hamidifar (2010) concluded that employees’ job satisfaction is positively affected by transformational leadership. Al-Hussami (2008) explored different leadership styles and concluded that transformational leadership has the highest positive effect on employee job satisfaction than any other leadership style.

Scientific research alludes to the postulation that transformational leadership through its values and ideals, appeals to followers in a manner that inspires them to behavior change through the process of problem solving, thus positively relating to job satisfaction (Fuller et al., 1996; Judge & Piccolo, 2004). Bycio et al. (1995) in their study also found that a
positive correlation exists between employee job satisfaction and transformational leadership. They concluded that transformational leadership is dominantly predictive of employee job satisfaction. Bushra et al. (2011) posit that in general, the level of job satisfaction is positively affected by transformational leadership. According to the same study, increase in job satisfaction is pegged at forty two percent (42%) as a result of adoption of a transformational leadership style.

The amount of literature that exists is sufficient to enable a generalization of the postulation that transformational leadership is positively correlated with job satisfaction. Studies have spanned various work environments, cultural settings, organizational settings and different leadership approaches. Inevitably, transformational leadership has in the majority of studies been correlated with positive job satisfaction. However, the business environment has and continues to metamorphose, leading to adjustments in different facets of organizational development. This transition into the age of technology and modern paradigms certainly invites interest in research to be able to establish if existing theories fit into these new organizational dimensions or the new paradigms give rise to new theories and postulations.

2.4.3 Effect of Employee Job Satisfaction on Employee Performance

Studies on the relationship between performance and job satisfaction in a variety of organizational settings have been done. These have yielded mixed results. Cummings (1970) in his study of this relationship came up with a three-pronged view. In his view, the relationship between performance and satisfaction is complementary and can occur either way, i.e. satisfaction causes performance and performance causes satisfaction. The third factor is reward and this has a causal connection to both performance and satisfaction. Figure 2.1 depicts this relationship.

Figure 2.1: Satisfaction, Performance, and Reward Relationship
Source: Author (2017)
This viewpoint is supported by other scholars. Mirvis & Lawer (1977) measured bank tellers’ performance on the basis of cash shortages and separation. The study established that satisfied bank tellers were less likely to incur shortages or quit their jobs. This led them to conclude that a relationship exists between job satisfaction and employee performance. In more than thirty studies conducted in the industrial sector by Kornhanuser & Sharp (1976) it was established that a positive relationship exists between job satisfaction and employee performance. Smith & Cranny (1968) maintained the same viewpoint but besides job satisfaction, they added intention, commitment and effort as other factors that lead to better job performance.

In classical empirical studies such as Western Electric in 1966 it was observed that an increase in job satisfaction increased employee productivity. Carroll et al. (1964) argue that satisfaction and productivity affect each other. David et al. (1970) plug in reward system as having a strong influence on the relationship between job satisfaction and performance.

Pushpakumari (2008) in his research, connected intrinsic and extrinsic rewards to employee job satisfaction through job content and job context factors respectively. He concluded that improvement in employee performance is a product of a satisfied employee as a result of extended effort. He studied both managers and non-managers and observed a positive significant relationship between job satisfaction and performance in both categories. The study also concluded that job satisfaction significantly impacts employees in a private organization.

Other researchers have argued that the link between job satisfaction and employee performance is weak as a result of a very narrow definition of job satisfaction, which is limited only to the job. They argue that better results could be achieved if job satisfaction can be defined in the context of output at work and overall satisfaction with life (Jones, 2006). Organ (1988) also alludes to the weakness of the relationship between job satisfaction and job performance but differs by identifying job performance as being too narrowly defined to establish a stronger connection. In his view, this relationship can only improve if the definition of job performance is expanded to include organizational citizenship which refers to the extent to which employees will go to provide unsolicited support to the organization and its goals. Saari & Judge (2004) made an interesting
observation - that difficult jobs record a higher connection between job satisfaction and employee performance than do less difficult jobs.

Bhatnagar & Srivastava (2012) in their article on job satisfaction in healthcare organizations highlight the significance of studying the impact of employee job satisfaction in healthcare as a critical factor in achieving high employee motivation, which is directly linked to patient satisfaction. They note that a committed and quality workforce is indispensable in enabling healthcare organizations provide highest quality services to patients. They observe the importance of managers being aware of factors affecting staff wellbeing, such as job satisfaction, and focusing on setting up a quality workforce as part of the quality system for healthcare establishments. Literature supports the existence of a strong correlation between medical staff job satisfaction and patient satisfaction with services in healthcare organizations (Bhatnagar & Srivastava, 2012). Platis et al. (2014) investigated the relationship between job satisfaction and job performance in healthcare services. The study focused on nurses and established a strong positive correlation between job satisfaction and job performance.

In spite of conflicting stands between scholars as to the extent of a relationship between employee job satisfaction and performance, it is evident that a positive correlation exists. As indicated in earlier paragraphs, studies span all organizational settings. This study attempted to use the existing literature to the extent applicable to make and assert a case for private healthcare service organizations in Kenya.

2.5 Chapter Summary

This chapter focused on the literature review for the research objectives, which were to investigate if transformational leadership leads to employee motivation, to investigate if transformational leadership encourages innovation / innovative work behavior among employees, and to investigate if transformational leadership leads to increased job satisfaction. Chapter three will focuses on the methodology used for this research.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

According to Kothari (2004), research methodology is a systematic theoretical analysis of procedures applied to a study. It involves ways through which events can be explained, described, and predicted, the main purpose being resolution of a problem. Basically, it is the technique used to conduct research. Kothari (2004) goes on to say that it is a way to systematically solve the research problem. Methodology defines the various steps a researcher adopts for his or her study of the research problem along with their rationale. It is a conduit through which data relevant for resolution of a research problem can be acquired and in such a manner that results can be said to be accurate enough to be relied upon in drawing inferences. Broadly, research methodology covers research design, population, sampling design, sampling frame, sampling technique, sample size, data collection methods and instruments, research procedures, and lastly data analysis methods.

3.2 Research Design

Kothari (2004, p.31) defines research design as “the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.” It is the blueprint for the collection, measurement and analysis of data. According to Chandran (2005) research design is a process of gathering data, the methods used to obtain that data and how the data is analyzed. Ogula (2005) calls it a plan, structure or tactic to answer research questions and contain inconsistencies. Kerlinger (1973) agrees with this position but adds that research design sets up the study’s context or is the researcher’s blueprint.

The approach for this study was quantitative research. Christensen et al. (2011) qualify quantitative research study as the most popular and one that collects numerically measured data to answer a research question. According to Bryman & Bell (2011) quantitative research is a linear sequence of stages from theory to drawing conclusions. Quantitative research works to establish the extent of a problem and to generalize findings. Generalizability answers the question of applicability of the result from the studied sample to the wider population from which the sample is drawn (Kumar, 2014).
Quantitative design was selected for this study for a number of reasons. First, the intent of this research was to establish the relationship between two elements, one being an independent variable (IV) and the other dependent (or outcome) variable(s) (DV$s$) within the selected population. The other reason was that it will facilitate generalizability. Conclusions drawn from this research will be generalized to the rest of the study population.

The research involved a large sample size, which allowed a broader study thus enhancing generalizability of the results. Quantitative design facilitates generation of numerical or statistical data that is collected, analyzed and the summaries generated from the study support generalization. It also enables the researcher to ensure validity and reliability of the data and avoid personal bias as the researcher will not have a one-on-one relationship with the respondents (Babbie, 2010).

Quantitative research is less costly and less time consuming. It is relatively easy to distribute questionnaires, either manually or through email to the respondents. It is effective in dealing with time constraints. Analysis of the data is simple, easy and quick since it is numeric and utilizes computer-aided programmes. The use of statistics facilitates concise interpretation of the data (Haq, 2014).

The purpose of this study was to investigate the correlation between transformational leadership and employee performance and the extent to which this relationship exists in private healthcare organizations in Kenya.

3.3 Population and Sampling

Population and sampling is inextricably related. It is practically impossible to test all units (individuals, units, objects, etc.) in a population. Therefore, the concept of sample (simply a subset of the population) arises to facilitate research. However, to warrant statistical analysis the sample must be large enough and must also be representative of the population from which it is drawn so that conclusions derived from the study can be applied to that entire population (Kothari, 2004). Thus, the population provides a sample and from it, takes conclusions drawn from the results generated by the study on that sample.

3.3.1 Population

Population has been defined variously by different scholars. Cooper & Schindler (2014) define population as the total collection of elements for which a researcher wants to make
inferences. According to Kothari & Garg (2014) population is all the individuals and organizations that make up the universe of the research study. Generally, population is a well-defined large collection of units of objects or individuals who have similar characteristics and upon whom a scientific query is focused. There are two population types in research. The entire population to which a researcher is interested in generalizing the drawn conclusions is referred to as target population. It is also referred to as the theoretical population. Accessible population on the other hand is a subset of the target population or the study population and is the one from which the sample is drawn and on which conclusions of the research are applied.

For this study, the target population was employees of private healthcare service providers. The accessible population was 696 employees of Aga Khan University Hospital Nairobi main hospital, from which the sample was drawn. Table 3.1 summarizes the strata into which the population was divided and the total population for each.

### Table 3.1: Total Population Summary

<table>
<thead>
<tr>
<th>No.</th>
<th>Stratum</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chiefs (Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Nursing Officer (CNO), Chief of Staff (COS), Chief Operating Officer (COO))</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Directors</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>Senior Managers</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>Managers</td>
<td>35</td>
</tr>
<tr>
<td>5</td>
<td>Coordinators</td>
<td>29</td>
</tr>
<tr>
<td>6</td>
<td>Team Leaders</td>
<td>36</td>
</tr>
<tr>
<td>7</td>
<td>Base Level Employees</td>
<td>566</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>696</strong></td>
</tr>
</tbody>
</table>

Source: AKUHN HR (2018)

### 3.3.2 Sampling Design

Kothari (2004, p.55) defines sampling design as “a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample”. There are two approaches to sampling design and these are probability and non-probability sampling. In probability sampling, all elements of the accessible population have an equal chance of being selected while in non-probability sampling the
sample is selected through a process where equal chances of selection do not apply to all the individuals in the population. In non-probability sampling the potential for bias exists and also the ability to generalize inferences from the findings is limited. Nonetheless, there are particular research questions, or situations in the process of research for which this type of sampling is most appropriate. Probability sampling on the other hand is methodological, rigorous, and through randomization, eliminates chances of bias that could distort the sample. This was a quantitative study, therefore, probability sampling design was used to select the sample.

3.3.2.1 Sampling Frame
Sampling frame or source list is a list of all units in the population of interest (Kothari, 2004). It is the list of everything or everyone to be studied. The sample is selected from the sampling frame. Care must be taken to ensure the sampling frame eliminates any errors in the sample, otherwise representativeness will not be achieved. Kothari (2004) identifies the following as elements of a sampling frame: it should be comprehensive; it should be reliable; it should be correct; it should be appropriate. For this research the sampling frame was all employees of the Aga Khan University Hospital Nairobi main hospital.

3.3.2.2 Sampling Technique
According to Ogula (2005) sampling is referred to as a process of selecting a sub-group from a defined population to take part in a study. The sub-group is selected in such a way that it is representative of the population from which it is drawn. There are various techniques or procedures that are used to select this sub-group. Each depends on the research question and the type of study to be conducted. There are four techniques of sample selection in probability sampling. These are: simple random sampling, systematic, stratified and cluster sampling.

This was a quantitative study whose aim will be to generalize findings to the entire population from which the sample was drawn. To achieve this goal the sample must be representative. Therefore, stratified sampling was used to select the sample. In stratified sampling the population is divided into sub-populations, or strata, that have homogeneity more than the whole population. It is from these sub-populations or strata that the final sample is drawn. Stratified sampling is commonly used for populations that are heterogeneous to ensure that each category is represented in the sample (Kothari, 2004).
Stratified sampling has the advantage of being able to give the most representative sample (Hunt & Tyrrell, 2001). Therefore, it was the most suitable technique for sampling given that the employee population comprised workers of different levels. Stratification was necessary to ensure every level through the hierarchy is represented in the sample so that when conclusions are drawn, they can qualify to be generalized to the entire employee population.

### 3.3.2.3 Sample Size
Lavrakas (2008) defines sample size as the number of units selected from the sampling frame. He breaks it down into designated sample size which are the units from which data is to be collected, and final sample size which refers to the number of completed interviews or the final number of units from which data is actually collected. The final sample size may be smaller than the designated sample size due to either nonresponse or ineligibility (Lavrakas, 2008). Determining the sample size in a statistical study is a critical step in the study’s planning (Lenth, 2001). The sample size should adequately match the goal of the research. It should be big enough to ascertain both statistical and scientific significance. A less-than adequate sample size leads to wasted resources and will fail to generate useful outcomes. A more-than adequate sample size on the other hand utilizes resources unnecessarily (Lenth, 2001). There are various mathematical formulas for calculating sample size for a quantitative study. These formulas are based on certain parameters such as population boundaries - finite or infinite population (Kothari, 2004), population number - $>N$ (Fisher et al. (1999) and population proportions – sample size, population size and level of precision (Yamane, 1967). The population for this study comprised 696 employees. A mathematical calculation would have produced a large sample size that the researcher may not have been able to effectively study given the time limitation. Therefore, the logical approach was employed to keep the sample size at ten percent (10%) of the total population. A discretionary percentage was introduced to each stratum with a target of drawing a number to bring the total sample size to 69. Table 3.2 shows how the sample size was arrived at.
Table 3.2: Sample Selection

<table>
<thead>
<tr>
<th>No.</th>
<th>Stratum</th>
<th>Population</th>
<th>Sample Size</th>
<th>Percentage of the population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chiefs (Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Nursing Officer (CNO), Chief of Staff (COS), Chief Operating Officer (COO))</td>
<td>5</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>Directors</td>
<td>11</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>3</td>
<td>Senior Managers</td>
<td>14</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>4</td>
<td>Managers</td>
<td>35</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>5</td>
<td>Coordinators</td>
<td>29</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>6</td>
<td>Team Leaders</td>
<td>36</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>7</td>
<td>Base Level Employees</td>
<td>566</td>
<td>46</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>696</strong></td>
<td><strong>69</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

Source: Author (2018)

3.4 Data Collection Methods

Knatterud et al. (1998), Most et al. (2003) and Whitney et al. (1998) define data collection as a way of assembling information on variables of interest to the researcher, then subjecting the assembled information to statistical measurement to derive answers for research questions and evaluate the study outcomes. Data collection is a crucial part of research studies but methods employed vary by discipline and the type of study to be conducted. Accuracy and honesty in data collection is a key emphasis in research in order to maintain the integrity of the study (Knatterud et al., 1998; Most et al., 2003; Whitney et al., 1998). To achieve this, tools used must measure highly in validity and reliability (Ludico et al., 2006). The tools must also be carefully selected and careful instructions for use clarified to avert errors (Knatterud et al., 1998; Most et al., 2003; Whitney et al., 1998).

For this study, primary data was used. Since this was a descriptive study, the ideal data collection instrument was a questionnaire (Luvai & Maende, 2014). The questionnaire was designed by the researcher and responses were measured on a five-point Likert scale to allow respondents grade their feedback (Luvai & Maende, 2014). A questionnaire is a convenient tool for various reasons. First, it can be answered at the respondent’s
convenience. Secondly, information from a large sample can be collected in a short time period. Third, all participants have the opportunity to give responses. The questionnaire for this study was both structured and unstructured to given respondents an opportunity to express themselves in relation to the research questions. A structured questionnaire facilitates generation of data that can be quantitatively analyzed to establish trends and patterns. In an unstructured questionnaire, respondents retain the liberty to answer questions in their own words thus providing more qualified responses. To achieve effectiveness, the questions must be framed in an unambiguous manner and be logically sequenced so that respondents easily understand them and are able to give appropriate answers (Kumar, 2014).

3.5 Research Procedures

A questionnaire was developed and pre-tested. It was self-administered and was distributed to a section of the sample population. A pre-test of the questionnaire is a critical part of the research process to test the efficacy of the data collection instrument. It allows the researcher to observe any obscurities in the instrument, assess the responses for appropriateness and also reorganize the questionnaire as necessary (Robson, 2007). It also allows for testing of the questions’ meaning, the respondents’ attention and interest as well the level of difficulty of the task. Feedback from the pre-testing enabled the researcher to improve the questionnaire accordingly in order to maximize the possibility of a high response rate.

A pilot study was also conducted. The pilot study is essential in measuring the questionnaire’s reliability (Sekaran, 2006). Reliability refers to the effectiveness of the measurement instrument (Luvai & Maende, 2014). Reliability was also tested statistically using a quantitative analysis of the pilot results through SPSS – sum variables, as opposed to a single variable, were used. Coefficient of correlation was also tested using Pearson’s correlation coefficient and Spearman’s Product Moment.

Validity refers to the extent to which the instrument will measure what it is intended to measure (Luvai & Maende, 2014). To ensure the questionnaire’s validity, the researcher engaged relevant experts in analyzing the content and context of questioning. Validity was also tested using the pilot study responses.
After the instrument was tested for validity and reliability, the researcher manually distributed questionnaires to the respondents to ensure everyone in the entire sample is provided with one. The researcher then followed up through telephone and face-to-face conversations for the respondents to provide responses.

3.6 Data Analysis

Data analysis involves processing collected data. Processing entails coding, editing, classification and tabulation of the data so that analysis can take place. Analysis involves computation of certain measures to draw relationship patterns among different data groups (Kothari, 2004). Results can be tested manually or by use of computer statistical programs. This was a quantitative study therefore data was edited, pretested, coded and analyzed. Statistical Package for Social Sciences (SPSS) software was used to conduct descriptive statistical analysis. The results of this analysis were used to draw conclusions from the study. Data was presented graphically using pie charts, histograms, bar charts, and frequency tables (univariate analysis) and regression analysis, coefficient of correlation analysis (Pearson’s correlation coefficient or Spearman’s Product Moment correlation) (bivariate analysis). A Chi-square test was also conducted to establish if there was any relationship between gender of the transformational leader and employee performance. Means and percentages were calculated from frequency tables.

3.7 Chapter Summary

This chapter focuses on the research methodology used for the study. It provides an introduction to research methodology, explains research design, and singles out the relevant design for the research study. Population and sampling is also covered and techniques, procedures or processes that were applied for this study. Data collection is also covered and instruments for data collection were selected and indicated. The procedure that was followed in making this research practical is also presented together with the expected outcomes. The chapter concludes with data analysis – the methods that used to evaluate and analyze data. Chapter four will present findings and results.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results and findings of the study based on analysis of responses to the following sections of the questionnaire: general information, effect of transformational leadership on employee motivation, effect of transformational leadership on employee innovation / innovative work behavior, effect of transformational leadership on employee job satisfaction.

4.2 Response Rate and Demographics

Results of responses from the study participants are presented in this section. One hundred percent response rate was not achieved. Out of the study sample of 69, the researcher received responses from 65 participants, representing a response rate of 94%. Four participants, representing six percent (6%) did not return their questionnaires. Table 4.1 shows these results.

Table 4.1: Response Rate and Demographics

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age in years</th>
<th>Highest educational qualification</th>
<th>Position in the hospital</th>
<th>Number of years in the current position</th>
<th>Number of years in the hospital</th>
<th>Current annual income</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Valid</td>
<td>Missing</td>
<td>N</td>
<td>Missing</td>
<td>N</td>
<td>Missing</td>
</tr>
<tr>
<td></td>
<td>64</td>
<td>1</td>
<td>65</td>
<td>0</td>
<td>65</td>
<td>63</td>
</tr>
</tbody>
</table>

4.2.1 Gender

The study sought to determine the number of participants by gender. The responses were 64 out of 65 expected, representing 98% return. Out of the 64 responses, 37 were female representing 58% of the respondents and male were 27 representing 42% of the respondents. Therefore, majority of the respondents were female employees. Figure 4.1 depicts the results.
4.2.2 Age in Years

The researcher sought to establish the age of the study participants. Age brackets were in five different categories from the youngest to the oldest, the least being under 25 years of age and highest between 65 years and older. The results indicated that majority of the respondents (23) were aged between the ages of 25 and 34, representing 35%, followed by 21 respondents aged between 35 to 44 years of age representing 32%, 16 respondents were aged between 45 and 54 years representing 25%, 4 respondents were aged 25 years and below representing 6%, and one respondent was aged between 55 and 64 years of age representing 2%. There was no respondent aged 65 years or older. Majority of respondents were young employees. With the exception of respondents aged 25 years and below, it was observed that as aged increased the number of respondents reduced. There was a total of 65 responses. Figure 4.2 presents the results.
4.2.3 Highest Level of Education

There were 65 responses in this section. Results of the study show that majority of the respondents (26) representing 40% have a Bachelor’s degree, followed by 19 respondents with a Diploma/Associate degree representing 29%, 10 respondents representing 15% have a Master’s degree, 5 respondents representing 8% have Certificate level education, 3 respondents representing 5% have high school certificate, and 2 respondents representing 3% have a Post-graduate diploma. Results are indicated in Figure 4.3.

![Figure 4.3: Highest Educational Qualification](image)

Source: Author (2018)

4.2.4 Position in the Hospital

The study sought to find out what positions respondents held in the hospital. Total responses received were 65. Majority of the respondents (44) representing 68% were base levels employees which is the lowest rank. Coordinators and team leaders had 5 respondents each representing 8% to a category, managers had 4 respondents representing 6%, senior managers and directors had 3 respondents each representing 5% to a category, and finally Chiefs had just one respondent representing 2% of the total respondents. Figure 4.4 shows the results.
4.2.5 Number of Years in the Current Position

There were 65 responses in this section. Majority of the respondents (38) have held their current position in the hospital for five years or less, representing 59% of the total responses, 11 employees representing 17% of the total respondents have held their current position for between 6 and 10 years, 7 employees representing 11% have been in their current position for between 11 and 15 years, while 2 employees representing 3% have worked in the position for between 16 and 20 years, 7 employees have been in their current position for 21 years and over and these represent 11% of the total respondents. Table 4.2 depicts these results.

Table 4.2: Number of Years in Current Position

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-5 years</td>
<td>38</td>
<td>58.5</td>
<td>58.5</td>
<td>58.5</td>
</tr>
<tr>
<td>6-10 years</td>
<td>11</td>
<td>16.9</td>
<td>16.9</td>
<td>75.4</td>
</tr>
<tr>
<td>11-15 years</td>
<td>7</td>
<td>10.8</td>
<td>10.8</td>
<td>86.2</td>
</tr>
<tr>
<td>16-20 years</td>
<td>2</td>
<td>3.1</td>
<td>3.1</td>
<td>89.2</td>
</tr>
<tr>
<td>21 years and over</td>
<td>7</td>
<td>10.8</td>
<td>10.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Author (2018)
4.2.6 Numbers of Years in the Hospital
The study sought to establish the total work experience in years for the study sample. Total responses in this category were 65. Majority of the respondents (33) representing 51% are relatively new in the institution having worked at the hospital for between 0 and 5 years, 11 respondents representing 17% of the responses have worked in the hospital for between 6 and 10 years, 10 respondents representing 15% have been with the hospital for 21 years and over, 8 respondents representing 12% have served for between 11 and 15 years, while 3 respondents representing 5% have been in the hospital for between 16 and 20 years. Figure 4.5 presents these findings.

Figure 4.5: Number of Years in the Hospital
Source: Author (2018)

4.2.7 Current Annual Income
There were 63 responses in this category. Results indicate that majority of the staff (25) representing 40% of the total respondents earn less than Ksh.500,000 annually, 8 respondents representing 12% of respondents make Kshs.3,000,000 or more annually, 7 of them representing 11% of respondents make between Kshs.800,000 and 899,999 annually, those who make between Kshs.600,000 and Kshs.699,999, Kshs.900,000 and 999,999 and Kshs.1,000,000 and Kshs.1,999,999 annually represented 8% each, while those who make between Kshs.500,000 and Kshs.599,999 and between Kshs.2,000,000 and Kshs.2,999,999 each represent 6% of the total respondents. Figure 4.6 shows the results.
4.3 Effect of Transformational Leadership on Employee Motivation

The study intended to investigate if transformational leadership has a positive effect on employee motivation. In order to make a determination, respondents were evaluated on the basis of a cross-section of questions related to motivation and the specific aspects of work that contribute to employee motivation. Responses were rated on a 5-point Likert scale (1 being Strongly Disagree and 5 being Strongly Agree). Findings were presented descriptively and means and standard deviation were calculated. Results are shown in Table 4.3.

Figure 4.6: Current Annual Income
Source: Author (2018)
Table 4.3: Descriptive Findings for Effect of Transformational Leadership on Employee Motivation

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The leadership articulates the vision of the organization well.</td>
<td>64</td>
<td>3</td>
<td>5</td>
<td>4.16</td>
<td>.479</td>
</tr>
<tr>
<td>I work in a team environment and enjoy support from other colleagues.</td>
<td>65</td>
<td>2</td>
<td>5</td>
<td>4.14</td>
<td>.659</td>
</tr>
<tr>
<td>I am inspired by the leadership to pursue common objectives for the good of the organization.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.94</td>
<td>.768</td>
</tr>
<tr>
<td>The leadership empowers me to do the best for the organization.</td>
<td>64</td>
<td>2</td>
<td>5</td>
<td>3.91</td>
<td>.750</td>
</tr>
<tr>
<td>The leadership motivates me to work.</td>
<td>63</td>
<td>2</td>
<td>5</td>
<td>3.73</td>
<td>.745</td>
</tr>
<tr>
<td>I feel like my organization values me as an employee.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.72</td>
<td>.839</td>
</tr>
<tr>
<td>My supervisors provide clear guidance and direction on my tasks, openly communicate and help me achieve my goals.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.71</td>
<td>.861</td>
</tr>
<tr>
<td>My goals are well articulated and my work environment enables me to accomplish them.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.62</td>
<td>.930</td>
</tr>
<tr>
<td>I participate in setting organizational objectives and I am committed to achieving them.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.52</td>
<td>1.077</td>
</tr>
<tr>
<td>I am sufficiently appreciated and recognized for the roles I play and my achievements at work.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>3.50</td>
<td>.992</td>
</tr>
<tr>
<td>The organization has in place motivation systems that boost employee performance leading to better patient care delivery.</td>
<td>62</td>
<td>1</td>
<td>5</td>
<td>3.35</td>
<td>.907</td>
</tr>
<tr>
<td>Employees are motivated to perform their best in their individual and collective roles.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.25</td>
<td>.902</td>
</tr>
<tr>
<td>The benefits I receive help me cope with personal needs.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.02</td>
<td>1.082</td>
</tr>
<tr>
<td>Change in the organization is handled in such a way that it does not affect employee motivation.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.02</td>
<td>1.152</td>
</tr>
<tr>
<td>The reward systems in place are effective to maintain high motivation levels for employees.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>2.75</td>
<td>1.118</td>
</tr>
<tr>
<td>I feel that I am paid well and that my salary and remuneration match my output.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>2.55</td>
<td>.985</td>
</tr>
<tr>
<td>In your opinion, who between female and male leadership would have a bigger influence on employee motivation?</td>
<td>64</td>
<td>1</td>
<td>7</td>
<td>1.91</td>
<td>1.269</td>
</tr>
<tr>
<td>How would you compare past and current leadership styles and their effect on employee performance?</td>
<td>55</td>
<td>1</td>
<td>8</td>
<td>1.82</td>
<td>1.657</td>
</tr>
<tr>
<td>In your opinion, has the current leadership led to improved or declining employee performance?</td>
<td>62</td>
<td>1</td>
<td>5</td>
<td>1.61</td>
<td>1.014</td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.3.1 Descriptive Statistics for Effect of Transformational Leadership on Employee Motivation

Results in Table 4.3 indicate that the mean scores for this section ranged from 4.16 to 1.61. The highest mean of 4.16 with a standard deviation of .479 was related to leadership articulating the vision of the organization well (88% of participants agreed, and 5% were uncertain). This was followed by the statement that the employee works in a team.
environment and enjoys support from colleagues with a mean of 4.14 and standard deviation of .659 (88% of participants agreed, 11% were uncertain, 2% disagreed). Inspiration by leadership to pursue common objectives for the good of the organization had a mean of 3.94 and standard deviation .768 with 81% agreeing, 14% uncertain, and 5% disagreeing. 73% of participants agreed that leadership empowers them to the best for the organization, 23% were uncertain, and 3% disagreed (mean score 3.91 and standard deviation .750). 72% of participants were in agreement that leadership motivates them to work, 21% were uncertain, and 8% disagreed (mean score 3.73 and standard deviation .745). 68% of participants agreed that the organization values them as an employee, 25% of them were uncertain, and 8% disagreed (mean score 3.72 and standard deviation .839).

The statement that supervisors provide clear guidance and direction on employee tasks, openly communicate and help the employee achieve goals had a mean score of 3.71 and standard deviation of .861 with 71% of participants agreeing, 19% were uncertain, and 11% disagreed. 63% of participants agreed that their goals are articulated well and their work environment enables them to accomplish goals, 23% of them were uncertain, and 14% disagreed (mean of 3.62 and standard deviation of .930). 61% of participants agreed that they participate in setting organizational objectives and are committed in achieving them, 20% disagreed, and 19% were uncertain (mean of 3.52 and standard deviation of 1.077). 54% of participants agreed that they are sufficiently appreciated and recognized for the roles they play and their achievements at work, 30% of them were uncertain, and 17% disagreed (mean score of 3.50 and standard deviation of .992). The statement that the organization has in place motivation systems that boost employee performance leading to better patient care delivery was agreed to by 47% of participants, 36% of them were uncertain, and 18% disagreed (mean score of 3.35 and standard deviation of .907). 45% of participants agreed that employees are motivated to perform their best in their individual and collective roles, 32% were uncertain, and 27% disagreed (mean score of 3.25 and standard deviation of .902). 44% of participants agreed that the benefits they receive help them cope with personal needs, 40% disagreed, and 17% were uncertain (mean score of 3.02 and standard deviation of 1.082). The statement that change in the organization is handled in such a way that it does not affect employee motivation had a mean score of 3.02 and standard deviation of 1.152 and was agreed to by 38% of participants, 37% disagreed, and 25% were uncertain.
The statement that the reward systems in place are effective to maintain high motivation levels for employees had a mean score of 2.75, standard deviation of 1.118 and had 45% of participants disagreeing, 30% agreed, and 25% were uncertain. 52% of participants disagreed with the statement that they feel that they are paid well and that their salary and remuneration match their output, 31% were uncertain, and 17% agreed (mean score of 2.55 and standard deviation of .985).

Majority of the participants (53%) were of the opinion that a male leader would have a bigger influence on employee motivation, 22% of them said both male and female have the ability to influence employee motivation depending on the leadership style, 19% thought female leadership would influence employee motivation more than male, 2% felt this was a biased question, 2% said it was not applicable, 2% preferred blended leadership, and 2% were not certain (mean score of 1.91 and standard deviation of 1.269). Table 4.3 and Figure 4.7 presents these results.

Figure 4.7: Results of Effect on Gender on Employee Motivation
Source: Author (2018)

71% of participants stated that the current leadership has had a positive effect on employee performance than past leadership, 9% felt current leadership has not had a positive effect on employee performance, 9% stated that past leadership had a positive effect on employee performance, 4% did not find the statement applicable, 2% were of the opinion that past leadership negatively affected employee performance, 2% had mixed opinion, 2% felt there
was no change between past and current leadership, and 2% were not certain (mean score of 1.82 and standard deviation of 1.657). These results are presented in Table 4.3 and Figure 4.8.

Figure 4.8: Results of Effect of Current and Past Leadership on Employee Performance

Source: Author (2018)

Participants were asked whether current leadership has led to improved or declining employee performance and 65% of them indicated it had improved, 21% felt it had declined, 8% had mixed opinion, 5% felt it had partly improved, and 2% were not sure (mean score of 1.61 and standard deviation of 1.014). Results are indicated in Table 4.3 and Figure 4.9.
4.3.2 Simple Regression Model for Transformational Leadership and Employee Motivation

Linear regression was conducted. The model summary generated an R-value of $R=0.767$ which indicates positive correlation between transformational leadership and employee motivation. The $R^2$ value indicates the total variation in the dependent variable. The test achieved $R^2=0.589$ which means that 58.9% variation in employee motivation (DV) can be explained by transformational leadership (IV) and 41.1% by other factors. Table 4.4 shows these results.

Table 4.4: Model Summary for Transformational Leadership and Employee Motivation

<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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.767*</td>
<td>.589</td>
<td>.582</td>
<td>.37001</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Transformational Leadership

Source: Author (2018)

ANOVA test was conducted to test the reliability of the regression model and if it significantly predicts the dependent variable. The $p < 0.0005$ achieved is less than 0.05, and indicates that the regression model is reliable and significantly predicts the dependent
variable. Therefore, we can conclude that transformational leadership is a useful predictor of employee motivation. Table 4.5 shows the results.

Table 4.5: Results of ANOVA Test for Transformational Leadership and Employee Motivation

<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 Regression</td>
<td>12.338</td>
<td>1</td>
<td>12.338</td>
<td>90.120</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>8.625</td>
<td>63</td>
<td>.137</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20.964</td>
<td>64</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Motivation  
b. Predictors: (Constant), Transformational Leadership  
Source: Author (2018)

The study indicated that transformational leadership significantly predicts employee motivation with \( \beta_1 = .825, t=9.493, p<0.005 \) which indicates significance at 5% and implies that for every unit of increase in transformational leadership, employee motivation increases by 82.5%. Table 4.6 shows these results.

Table 4.6: Coefficients for Transformational Leadership and Employee Motivation

<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 (Constant)</td>
<td>.244</td>
<td>.345</td>
<td>.707</td>
<td>.482</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>.825</td>
<td>.087</td>
<td>.767</td>
<td>9.493</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Motivation  
Source: Author (2018)

4.3.3 Correlation between Transformational Leadership and Employee Motivation

Pearson correlation test was performed to determine the relationship between transformational leadership (IV) and employee motivation (DV). The correlation coefficient \( r = .767 \) and \( p < 0.005 \) established that the two variables were strongly and positively correlated. The results are as shown in Table 4.7.
Table 4.7: Correlation Results for Transformational Leadership and Employee
Motivation

<table>
<thead>
<tr>
<th></th>
<th>Motivation</th>
<th>Transformational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Motivation</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>65</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>Pearson Correlation</td>
<td>.767**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>65</td>
</tr>
</tbody>
</table>

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

Source: Author (2018)

Chi-square test was conducted to assess the effect of gender on motivation. Results indicate that male leadership motivates more than female leadership. Results are shown in Table 4.8.

Table 4.8: Results of Chi-Square Test for Effect of Leadership Gender on Employee
Motivation

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>231.261</td>
<td>210</td>
<td>.150</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>100.650</td>
<td>210</td>
<td>1.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.074</td>
<td>1</td>
<td>.786</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>64</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 252 cells (100.0%) have expected count less than 5. The minimum expected count is .02.

Source: Author (2018)

4.4 Effect of Transformational Leadership on Employee Innovation / Innovative
Work Behavior

The study intended to investigate if transformational leadership encourages employee innovation / innovative work behavior. Participants were asked if there are deliberate efforts by management to support innovation and innovative work behavior or to provide an environment in which idea generation and utilization thrives. Responses were rated on a 5-point Likert scale (1 being Strongly Disagree and 5 being Strongly Agree). Findings were presented descriptively and means and standard deviation were calculated. Responses are shown in Table 4.9.
Table 4.9: Descriptive Statistics for Effect of Transformational Leadership on Employee Innovation / Innovative Work Behavior

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your opinion, what else should leadership do to ensure every employee has an opportunity to contribute to improved service and quality of care?</td>
<td>65</td>
<td>1</td>
<td>22</td>
<td>6.97</td>
<td>5.982</td>
</tr>
<tr>
<td>I am at liberty to share new ideas with colleagues and management.</td>
<td>65</td>
<td>2</td>
<td>5</td>
<td>3.95</td>
<td>.672</td>
</tr>
<tr>
<td>Employee’s innovative work behavior contributes to improved care for patients.</td>
<td>65</td>
<td>2</td>
<td>5</td>
<td>3.88</td>
<td>.740</td>
</tr>
<tr>
<td>The leadership provides mentoring, coaching and support to employees in searching for new processes and products.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.78</td>
<td>.820</td>
</tr>
<tr>
<td>My work environment facilitates innovative thinking and enables me to improve my performance.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.77</td>
<td>.844</td>
</tr>
<tr>
<td>The leadership creates an environment that encourages creativity and innovation.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.72</td>
<td>.893</td>
</tr>
<tr>
<td>Employee input is valued and encouraged.</td>
<td>63</td>
<td>2</td>
<td>5</td>
<td>3.68</td>
<td>.758</td>
</tr>
<tr>
<td>My supervisor provides honest feedback on my ideas.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.68</td>
<td>.970</td>
</tr>
<tr>
<td>The leadership stimulates and supports new idea generation and processes that make work easier.</td>
<td>64</td>
<td>2</td>
<td>5</td>
<td>3.67</td>
<td>.837</td>
</tr>
<tr>
<td>Employees are encouraged to engage alternative thinking in handling tasks.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.54</td>
<td>.969</td>
</tr>
<tr>
<td>My ideas are valued and management makes an honest effort to assess their viability.</td>
<td>65</td>
<td>2</td>
<td>5</td>
<td>3.49</td>
<td>.793</td>
</tr>
<tr>
<td>Leadership allocates sufficient resources to facilitate implementation of adopted ideas generated by employees.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>3.42</td>
<td>.989</td>
</tr>
<tr>
<td>The organization is willing to take a risk with ideas generated by employees.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.05</td>
<td>.926</td>
</tr>
<tr>
<td>In your opinion, who between female and male leadership would have a bigger influence on employee innovation/innovative work behavior:</td>
<td>59</td>
<td>1</td>
<td>7</td>
<td>1.98</td>
<td>1.266</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2018)

4.4.1 Descriptive Statistics for Effect of Transformational Leadership on Employee Innovation / Innovative Work Behavior

Results in this section show that means ranged from 6.97 to 1.98 as presented in Table 4.9. The highest mean score of 6.97 with a standard deviation of 5.982 was related to the participants’ opinions on what else leadership should do to ensure every employee has an opportunity to contribute to improved service and quality of care. Majority of participants (32%) said that leadership should value, adopt and utilize new ideas from employees, 12%
indicated leadership should focus on training and development, 8% felt leadership should increase interaction with employees, 6% were for regular departmental meetings, and another 6% suggested that employees be involved in decision making, 5% opined that leadership provides clarity of goals and objectives. The rest of the participants (31%) had varied ideas. These results are presented in Figure 4.10.

![Figure 4.10: Results of Employee Opinions on Service Improvement and Quality of Care](image)

Source: Author (2018)

Participants were asked if they were at liberty to share new ideas with colleagues and management. Majority of the participants (82%) agreed, 15% were uncertain and 3% disagreed. The mean score was 3.95 with standard deviation of .672. 78% of participants agreed that employee’s innovative work behavior contributes to improved patient care, 15% were uncertain while 6% disagreed (mean score 3.88 and standard deviation of .740). 70% of participants agreed that leadership provides mentoring, coaching and support to employees in searching for new processes and products, 23% were uncertain, 7% disagreed (mean score of 3.78 and standard deviation of .820).
Participants were asked if their work environment facilitates innovative thinking and enables them to improve their performance - 68% agreed, 26% were uncertain and 6% disagreed (mean score of 3.77 and standard deviation of .844). 74% of participants agreed that the leadership creates an environment that encourages creativity and innovation, 15% were uncertain and 11% disagreed (mean score of 3.72 and standard deviation of .893). 67% felt that employee input is valued and encouraged, while 25% were uncertain, 8% disagreed (mean score of 3.68 and standard deviation of .758). 71% of participants agreed with the statement that supervisors provide honest feedback on employees’ ideas, 17% were uncertain while disagreed (mean score of 3.68 and standard deviation of .970). 72% of participants agreed that the leadership stimulates and supports new idea generation and processes that make work easier, 14% were uncertain and 14% disagreed (mean score of 3.67 and standard deviation of .837).

Majority of participants (63%) agreed that employees are encouraged to engage alternative thinking in handling tasks, 20% were uncertain while 17% disagreed (mean score of 3.54 and standard deviation of .969). 53% of participants agreed that their ideas are valued and management makes honest effort to assess their viability, 37% were uncertain while 11% disagreed (mean score of 3.49 and standard deviation of .793). 55% of participants agreed that leadership allocates sufficient resources to facilitate implementation of ideas generated by employees, 23% were uncertain and 22% disagreed (mean score of 3.42 and standard deviation of .989). Majority of the participants (38%) were uncertain that the organization is willing to take a risk with ideas generated by employees, 34% agreed while 28% disagreed (mean score of 3.05 and standard deviation of .926).

Majority of the participants (46%) indicated that male leadership would have bigger influence on employee innovation / innovative work behavior, 27% felt female leadership would have the bigger influence, 20% indicated either, 2% of participants felt this was a biased question, 2% felt the question was not applicable, 2% suggested blended leadership, and 2% were uncertain (mean score of 1.98 and standard deviation of 1.266). These results are presented in Figure 4.11.
4.4.2 Regression Model for Transformational Leadership and Employee Innovation / Innovative Work Behavior

Linear regression was conducted. The model summary generated an R-value of R=0.852 which indicates positive correlation between transformational leadership and employee innovation / innovative work behavior. The R² value indicates the total variation in the dependent variable. The test achieved R²=0.725 which means that 72.5% variation in employee innovation / innovative work behavior (DV) can be explained by transformational leadership (IV) and 27.5% by other factors. Table 4.10 shows these results.

Table 4.10: Model Summary for Transformational Leadership and Employee Innovation / Innovative Work Behavior

<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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.852a</td>
<td>.725</td>
<td>.721</td>
<td>.28760</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Transformational Leadership

Source: Author (2018)

ANOVA test was conducted to test the reliability of the regression model and if it significantly predicts the dependent variable. The $p < 0.0005$ achieved is less than 0.05,
and indicates that the regression model is reliable and significantly predicts the dependent variable. Therefore, we can conclude that transformational leadership is a useful predictor of employee innovation / innovative work behavior. Results are indicated in Table 4.11.

Table 4.11: Results of ANOVA Test for Transformational Leadership and Employee Innovation / Innovative Work Behavior

<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 Regression</td>
<td>13.759</td>
<td>1</td>
<td>13.759</td>
<td>166.355</td>
<td>.000p</td>
</tr>
<tr>
<td>Residual</td>
<td>5.211</td>
<td>63</td>
<td>.083</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18.970</td>
<td>64</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Innovation/Innovative Work Behavior
b. Predictors: (Constant), Transformational Leadership

Source: Author (2018)

The study indicated that transformational leadership significantly predicts employee innovation / innovative work behavior with $\beta_1 = .684$, $t=12.898$, and $p<0.005$ which indicates significance at 5% and implies that for every unit of increase in transformational leadership, employee innovation / innovative work behavior increases by 68.4%. Table 4.12 shows these results.

Table 4.12: Coefficients for Transformational Leadership and Employee Innovation / Innovative Work Behavior

<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 (Constant)</td>
<td>1.138</td>
<td>.197</td>
<td>5.782</td>
<td>.000</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>.684</td>
<td>.053</td>
<td>.852</td>
<td>12.898</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Innovation/Innovative Work Behavior
Source: Author (2018)

4.4.3 Correlation between Transformational Leadership and Employee Innovation and Innovative Work Behavior

Pearson correlation test was conducted to determine the relationship between transformational leadership (IV) and employee innovation / innovative work behavior
The correlation coefficient r = .852 and p < 0.005 established that the two variables were strongly and positively correlated. The results are as shown in Table 4.13.

Table 4.13: Correlation Results for Transformational Leadership and Employee Innovation / Innovative Work Behavior

<table>
<thead>
<tr>
<th></th>
<th>Employee Innovation/IWB Work Behavior</th>
<th>Transformational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>r = .852**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>1</td>
</tr>
<tr>
<td>Employee Innovation/Innovative Work Behavior</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>Pearson Correlation</td>
<td>.852**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>65</td>
</tr>
</tbody>
</table>

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

Source: Author (2018)

Chi-square test was conducted to assess the effect of gender on innovation / innovative work behavior. Results indicate that male leadership has a bigger effect on innovation / innovative work behavior than female leadership. Results are shown in Table 4.14.

Table 4.14: Results of Chi-Square Test for Effect of Leadership Gender on Innovation / Innovative Work Behavior

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>126.724a</td>
<td>144</td>
<td>.847</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>80.266</td>
<td>144</td>
<td>1.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.619</td>
<td>1</td>
<td>.203</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>59</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 175 cells (100.0%) have expected count less than 5. The minimum expected count is .02.

Source: Author (2018)

4.5 Effect of Transformational Leadership on Employee Job Satisfaction

The study intended to investigate if transformational leadership leads to increased job satisfaction among employees. Questions were based on a range of elements that contribute to employee job satisfaction. Responses were rated on a 5-point Likert scale (1 being Strongly Disagree and 5 being Strongly Agree). Findings were presented descriptively and means and standard deviation were calculated. Results are shown in Table 4.15.
Table 4.15: Descriptive Statistics for Effect of Transformational Leadership on Employee Job Satisfaction

<table>
<thead>
<tr>
<th>Question</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please indicate any issues not captured in this survey that you would like to see in this organization.</td>
<td>60</td>
<td>1</td>
<td>34</td>
<td>21.22</td>
<td>10.830</td>
</tr>
<tr>
<td>I like my work and go beyond normal hours to meet expectations.</td>
<td>64</td>
<td>2</td>
<td>5</td>
<td>4.42</td>
<td>.686</td>
</tr>
<tr>
<td>I am able to meet my work targets.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>4.06</td>
<td>.794</td>
</tr>
<tr>
<td>I am sufficiently equipped to handle patient issues to their satisfaction.</td>
<td>63</td>
<td>1</td>
<td>5</td>
<td>4.05</td>
<td>.906</td>
</tr>
<tr>
<td>I have the tools I need to perform my job effectively.</td>
<td>63</td>
<td>1</td>
<td>5</td>
<td>3.97</td>
<td>.999</td>
</tr>
<tr>
<td>My qualifications match my job.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>3.86</td>
<td>1.006</td>
</tr>
<tr>
<td>The leadership encourages open communication and is accessible to employees for work and personal matters.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.85</td>
<td>.852</td>
</tr>
<tr>
<td>My supervisor provides objective feedback on my performance and makes suggestions for.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>3.84</td>
<td>.979</td>
</tr>
<tr>
<td>My knowledge, skills and abilities are effectively utilized.</td>
<td>64</td>
<td>2</td>
<td>5</td>
<td>3.84</td>
<td>.895</td>
</tr>
<tr>
<td>The leadership creates a positive work environment.</td>
<td>65</td>
<td>2</td>
<td>5</td>
<td>3.83</td>
<td>.802</td>
</tr>
<tr>
<td>My performance is systematically evaluated by my supervisor.</td>
<td>63</td>
<td>2</td>
<td>5</td>
<td>3.81</td>
<td>.759</td>
</tr>
<tr>
<td>The leadership encourages teamwork and deliberately creates an environment in which teamwork flourishes.</td>
<td>65</td>
<td>2</td>
<td>5</td>
<td>3.74</td>
<td>.834</td>
</tr>
<tr>
<td>The organization provides training programs to support work process improvement and career progression.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.71</td>
<td>1.011</td>
</tr>
<tr>
<td>I am satisfied working with this organization.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.69</td>
<td>.934</td>
</tr>
<tr>
<td>The leadership provides effective supervisory interaction with employees.</td>
<td>64</td>
<td>2</td>
<td>5</td>
<td>3.69</td>
<td>.833</td>
</tr>
<tr>
<td>I am effectively facilitated to perform well in my work.</td>
<td>63</td>
<td>1</td>
<td>5</td>
<td>3.68</td>
<td>.947</td>
</tr>
<tr>
<td>I get sufficient vacation time and I am able to attend to personal emergencies when they arise.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.66</td>
<td>1.065</td>
</tr>
<tr>
<td>The leadership recognizes diversity in the workforce and employs effort to ensure every employee feels a sense of belonging.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.63</td>
<td>.977</td>
</tr>
<tr>
<td>The organization recognizes my contribution and provides me a sense of personal accomplishment.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.48</td>
<td>1.017</td>
</tr>
<tr>
<td>The leadership encourages work life balance for employees.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>3.48</td>
<td>1.017</td>
</tr>
<tr>
<td>My supervisor takes my concerns seriously and makes honest effort to address them.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>3.45</td>
<td>1.053</td>
</tr>
<tr>
<td>My supervisor recognizes my performance and rewards achievement.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>3.44</td>
<td>1.067</td>
</tr>
<tr>
<td>There are career progression opportunities and I have benefited from them.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>3.34</td>
<td>1.158</td>
</tr>
<tr>
<td>The leadership takes staff welfare seriously and is committed to finding ways to keep employees satisfied.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>3.13</td>
<td>1.106</td>
</tr>
<tr>
<td>I get an annual raise and I am satisfied with the manner in which it is determined.</td>
<td>63</td>
<td>1</td>
<td>5</td>
<td>3.05</td>
<td>1.007</td>
</tr>
<tr>
<td>I am satisfied with the medical benefits the organization offers employees.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>2.94</td>
<td>1.248</td>
</tr>
<tr>
<td>Promotions are on merit and I am satisfied with how they are determined and effected.</td>
<td>65</td>
<td>1</td>
<td>5</td>
<td>2.89</td>
<td>1.091</td>
</tr>
<tr>
<td>I am satisfied with the pay that I get.</td>
<td>64</td>
<td>1</td>
<td>5</td>
<td>2.45</td>
<td>.958</td>
</tr>
<tr>
<td>In your opinion, who between female and male leadership would have a bigger influence on employee job satisfaction?</td>
<td>62</td>
<td>1</td>
<td>11</td>
<td>2.16</td>
<td>1.691</td>
</tr>
<tr>
<td>In your opinion, is the workforce treated as the most valued asset in this organization?</td>
<td>60</td>
<td>1</td>
<td>3</td>
<td>1.62</td>
<td>.739</td>
</tr>
</tbody>
</table>

Valid N (listwise) 49

Source: Author (2018)

4.5.1 Descriptive Statistics for Effect of Transformational Leadership on Employee Job Satisfaction

Results show that the means for this section ranged from 21.22 to 1.62. The highest mean of 21.22 with standard deviation of 10.830 related to issues not captured in the survey that employees would like to see in the organization. 71% of participants had various suggestions (such as recognizing and rewarding excellently performing employees (8%), implementing employee satisfaction survey results (5%), salary harmonization, giving employees opportunities for career progression, improving management/leadership, team
building efforts at 3% each, and 25 other suggestions representing 2% each). 22% of participants had no suggestion to make, while 7% indicated Not Applicable. These results are indicated in Figure 4.12.

![Figure 4.12: Results of Issues not Captured in the Survey](image)

**Source:** Author (2018)

Participants were asked if they like their work and go beyond normal hours to meet expectations. 93% agreed, 6% were uncertain and 1% disagreed (mean score of 4.42 with standard deviation of .686). 86% of participants agreed that they are able to meet their work targets, 9% were uncertain, and 5% disagreed (mean score of 4.06 and standard deviation of .794). 79% of participants indicated they are sufficiently equipped to handle patient issues to satisfaction, 14% were uncertain and 7% disagreed (mean score of 4.05 and standard deviation of .906). 76% of participants agreed that they have the tools they need to perform their job effectively, 13% were uncertain while 11% disagreed (mean score of 3.97 and standard deviation of .999). 75% of participants indicated that their qualifications match their jobs, 14% disagreed, while 11% were uncertain (mean score 3.86 and standard deviation of 1.006). 75% of participants agreed to the statement that leadership encourages open communication and is accessible to employees for work and personal matters, 17% were uncertain while 8% disagreed (mean score of 3.85 and standard deviation of .852).
Majority of the participants (73%) agreed that the supervisor provides objective feedback on their performance and makes suggestions for improvement, 19% of them were uncertain while 8% disagreed. The mean score was 3.84 with a standard deviation of .979. 74% of participants were in agreement with the statement that their knowledge, skills and abilities are effectively utilized, 16% were uncertain while 11% disagreed (mean score of 3.84 and standard deviation of .895). 74% of participants agreed that the leadership creates a positive work environment, 18% were uncertain, and 8% disagreed (mean score of 3.83 and standard deviation of .802). 73% of participants indicated that their performance is systematically evaluated by their supervisors, 21% were uncertain, and 6% disagreed (mean score of 3.81 and standard deviation of .759).

Participants were asked if leadership encourages teamwork and deliberately creates an environment in which teamwork flourishes. 65% agreed, 28% were uncertain and 7% disagreed, the mean score was 3.74 and standard deviation .834). 66% of participants agreed that the organization provides training programs to support work process improvement and career progression, 18% were uncertain, and 16% disagreed, the mean score was 3.71 and standard deviation 1.011. 65% of participants indicated that they were satisfied working with the organization, 26% were uncertain while 9% disagreed (mean score of .369 and standard deviation .934). 67% of participants agreed that leadership provides effective supervisory interaction with employees, 22% were uncertain while 11% disagreed, the mean score was3.69 and standard deviation .833.

Majority of participants (68%) indicated that they are effectively facilitated to perform well in their work, 17% were uncertain, and 15% disagreed, the mean score was 3.68 and standard deviation .947. 69% agreed that they get sufficient vacation time and they are able to attend to personal emergencies when they arise, 18% were uncertain while 13% disagreed. The mean score for this statement was 3.66 and standard deviation 1.065. 62% of participants agreed that leadership recognizes diversity in the workforce and employs effort to ensure every employee feels a sense of belonging, 26% were uncertain while 12% disagreed, the mean score was 3.63 and standard deviation .977. Participants were asked if the organization recognizes their contribution and provides them with a sense of personal accomplishment. 54% agreed, 31% were uncertain and 15% disagreed, mean score was 3.48 and standard deviation 1.017. 57% of participants agreed that the leadership
encourages work life balance, 26% were uncertain, and 17% disagreed, the mean score was 3.48 and standard deviation 1.017.

Participants were asked if their supervisors take their concerns seriously and make honest effort to address them. 57% agreed, 22% were uncertain while 21% disagreed, the mean score was 3.45 and standard deviation 1.053. 55% of participants indicated that their supervisors recognize their performance and reward achievement, 25% were uncertain, 20% disagreed, mean score was 3.44 and standard deviation 1.067. 52% of participants agreed that there are career progression opportunities and they have benefited from them, 26% disagreed, while 22% were uncertain, mean score was 3.34 and standard deviation 1.158. 44% agreed that the leadership takes staff welfare seriously and is committed to finding ways to keep employees satisfied, 31% disagreed, and 25% were uncertain, mean score was 3.13 and standard deviation 1.106.

Participants were asked if they get an annual raise and they are satisfied with the manner in which it is determined. 38% indicated they were uncertain, 35% agreed, and 27% disagreed, the mean score was 3.05 and standard deviation 1.007. Majority of the participants (43%) disagreed with the statement that they are satisfied with the medical benefits the organization offers employees, 41% agreed with the statement, and 15% were uncertain. The mean score was 2.94 and standard deviation 1.248. Majority of participants (35%) disagreed with the statement that promotions are on merit and they are satisfied with the way they are determined and effected, 33% agreed with the statement, while 32% were uncertain, mean score was 2.89 and standard deviation of 1.091. 58% of the participants disagreed with the statement that they are satisfied with the pay they get, 27% were uncertain, and 15% agreed, the mean score was 2.45 and standard deviation .958.

Participants were asked to give their opinion on who, between male and female leadership, they thought would have a bigger influence on employee job satisfaction. 43% of them were of the opinion that male leadership would have bigger influence while 26% chose female leadership, 23% indicated either male or female leadership, 2% felt the question was biased, 2% indicated blended leadership, 2% were not certain and 2% felt the question was not applicable. The mean score for this question was 2.16 and standard deviation 1.691. These results are presented in Figure 4.13.
Participants were also asked if they thought the workforce is treated as the most valued asset in the organization. 53% said yes, 32% said no, and 15% had mixed opinion. The mean score was 1.62 and standard deviation 0.739. Results are presented in Figure 4.14.

Figure 4.14: Results of Opinion on if the Workforce is treated as the Most Valued Asset in the Organization
Source: Author (2018)
4.5.2 Regression for Transformational Leadership and Employee Job Satisfaction

Linear regression was conducted. The model summary generated an R-value of \( R=0.720 \) which indicates positive correlation between transformational leadership and employee job satisfaction. The \( R^2 \) value indicates the total variation in the dependent variable. The test achieved \( R^2=0.518 \) which means that 51.8% variation in employee job satisfaction (DV) can be explained by transformational leadership (IV) and 48.2% by other factors. Table 4.16 shows these results.

Table 4.16: Model Summary for Transformational Leadership and Employee Job Satisfaction

<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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.720(^a)</td>
<td>.518</td>
<td>.510</td>
<td>.37360</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Transformational Leadership

Source: Author (2018)

ANOVA test was conducted to test the reliability of the regression model and if it significantly predicts the dependent variable. The \( p < 0.0005 \) achieved is less than 0.05, and indicates that the regression model is reliable and significantly predicts the dependent variable. Therefore, we can conclude that transformational leadership is a useful predictor of employee job satisfaction. Table 4.17 shows these results.

Table 4.17: Results of ANOVA Test for Transformational Leadership and Employee Job Satisfaction

<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>Regression</td>
<td>9.439</td>
<td>1</td>
<td>9.439</td>
<td>67.628</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>8.793</td>
<td>63</td>
<td>.140</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>18.232</td>
<td>64</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Job Satisfaction

b. Predictors: (Constant), Transformational Leadership

Source: Author (2018)

The study indicated that transformational leadership significantly predicts employee motivation with \( \beta_1=.552, t=8.224, \) and \( p<0.005 \) which indicates significance at 5% and implies that for every unit of increase in transformational leadership, employee job satisfaction increases by 55.2%. Results are indicated in Table 4.18.
Table 4.18: Coefficients for Transformational Leadership and Employee Job Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.593</td>
<td>.247</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>.552</td>
<td>.067</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Job Satisfaction

Source: Author (2018)

4.5.3 Correlation between Transformational Leadership and Employee Job Satisfaction

Pearson correlation test was conducted to determine the relationship between transformational leadership (IV) and employee job satisfaction (DV). The correlation coefficient $r=0.720$ and $p<0.005$ established that the two variables were strongly and positively correlated. The results are as shown in Table 4.19.

Table 4.19: Correlation Results for Transformational Leadership and Employee Job Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Job Satisfaction</th>
<th>Transformational Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.720**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.720**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>65</td>
<td>65</td>
</tr>
</tbody>
</table>

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

Source: Author (2018)

Chi-square test was conducted to assess the effect of gender on job satisfaction. Results indicate that male leadership has a bigger effect on job satisfaction than female leadership. Results are shown in Table 4.20.
Table 4.20: Results of Chi-Square Test for Effect of Leadership Gender on Employee Job Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>150.989a</td>
<td>217</td>
<td>1.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>99.434</td>
<td>217</td>
<td>1.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.040</td>
<td>1</td>
<td>.841</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>62</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 256 cells (100.0%) have expected count less than 5. The minimum expected count is .02.

Source: Author (2018)

4.6 Chapter Summary

This chapter presented results and findings of the study based on analysis of responses as per the study’s specific objectives, which were to investigate the effect of transformational leadership on employee motivation, effect of transformational leadership on employee innovation / innovative work behavior, and effect of transformational leadership on employee job satisfaction. Chapter five discusses the findings, draws conclusions and makes recommendation for improvement.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction
This chapter provides a summary of the research, discusses findings in line with the study’s objectives, and offers a comparison with empirical studies and existing literature. It draws conclusions, offers recommendations and makes suggestions for further research.

5.2 Summary of the Study
The purpose of this study was to investigate the influence of transformational leadership on employee performance based on the following objectives: To investigate if transformational leadership leads to employee motivation, to investigate if transformational leadership encourages innovation / innovative work behavior among employees, to investigate if transformational leadership leads to increased job satisfaction.

The researcher reviewed literature regarding the concept of transformational leadership, its origins and the theorists that popularized the concept to the leadership style it is today. Literature regarding the study variables of employee motivation, innovation / innovative work behavior, and job satisfaction and how they are linked to transformational leadership and employee performance was also reviewed.

Quantitative research methodology was adopted for this study in order to achieve the intended goal of establishing the extent of the stated problem and use the results achieved to generalize to the entire population from which the study sample was drawn.

The study’s sample size was 69 respondents, determined through applying a discretionary percentage to the total study population. Stratified sampling technique was used to ensure that each category was represented in the sample as the study population was heterogeneous. Seven strata were developed representing the seven bands the study population comprises.

A self-administered structured and unstructured questionnaire was developed and consisted of the following sections: demographic / general information, employee motivation, employee innovation / innovative work behavior, and employee job satisfaction. The self-administered questionnaire was hand-delivered to all 69 study participants and a return rate of 94% (n=65) was achieved.
Descriptive statistics were used to analyze data: frequencies, mean scores, standard deviations, simple regression, Pearson’s correlation and chi-square test. The study showed that majority of the respondents (58%) were female employees. 73% of respondents are young employees ranging between 25 and 44 years in age. Level of education had majority of respondents (40%) with Bachelor’s degree while base level band had the highest number of respondents at 68%. Majority of respondents (59%) have held their current position for 0 to 5 years, 51% of respondents are relatively new in the organization having been there for between 0 and 5 years, and 40% earn less than half a million shillings annually.

The researcher investigated effect of transformational leadership on employee motivation by analyzing data related to the leader’s ability to articulate the organization’s vision, empower employees, a conducive work environment, remuneration, personal needs consideration, participation in setting organizational objectives, recognition, rewards, and valuing employees. Employee motivation (DV) was found to have a positive and strong correlation with transformational leadership (IV).

The researcher analyzed data to establish if transformational leadership encourages innovation / innovative work behavior among employees. The data related to the leader’s ability to create an enabling environment for creativity, idea stimulation and generation, work processes, resource mobilization, mentorship, coaching, adoption of employee ideas and valuing and encouraging employee input and idea sharing. There was a positive and strong correlation between employee innovation / innovative work behavior DV) and transformational leadership (IV).

To investigate if transformational leadership leads to increased job satisfaction, the researcher analyzed data related to work environment, supervision, work life balance, employee welfare and satisfaction, communication, recognition, promotion of diversity, work tools, training and development, remuneration and benefits, and growth opportunities. There was a positive and strong correlation between employee job satisfaction (DV) and transformational leadership (IV).

In summary, transformational leadership is positively correlated with all three dependent variables of employee motivation, employee innovation / innovative work behavior, and employee job satisfaction. The strongest correlation was with employee innovation /
innovative work behavior, followed by employee motivation, and lastly employee job satisfaction.

5.3 Discussion
5.3.1 Effect of Transformational Leadership on Employee Motivation
Analysis of the data indicated a strong connection between transformational leadership and employee motivation. The highest mean scores related to questions on leadership and its effect on employees with regard to different aspects of motivation. 88% of respondents indicated that the leadership clearly articulates the organization’s vision and 81% indicated they are inspired by leadership to pursue common objectives for the good of the organization. 73% agreed that the leadership empowers them to work for the best of the organization while 72% agreed they were motivated by leadership to work well in the jobs. Other factors of motivation and included recognition, guidance and direction, valuing employees, positive work environment, goal articulation, employee participation in organizational objective setting, etc. and also scored highly.

These findings support and are consistent with results of the empirical studies. Kappen (2010) established that through an environment of trust and commitment a transformational leader is likely to motivate and inspire employees. Webb (2007) singled out charismatic and intellectual behaviors in leadership as ingredients for increased motivation. These behaviors are characteristic of transformational leadership, and, therefore, it can be positively associated with employee motivation. Judge & Piccolo (2004) also demonstrated that transformational leadership has a positive impact on employee motivation. Al Marhoobi & Attan (2017) in their study of the association between leadership and employee motivation both in the public and private sectors in Oman established that a positive relationship exists between transformational leadership style and employee motivation in the private sector. Similar findings have been achieved by other studies such as Kappen (2010).

Though this study did not distinguish between the types of motivation, the results still align with findings by Kappen (2010) that transformational leadership is positively correlated with motivation in general. However, Kappen’s (2010) study determined that transformational leadership is more strongly correlated with intrinsic motivation than with extrinsic motivation.
The current leadership was hailed as having a positive effect on employee performance with 71% of participants stating that current leadership, which is transformational, has had a positive effect on employee performance than past leadership, which was autocratic. 65% of participants indicated that employee performance had actually improved with current leadership in comparison with past leadership. Empirical studies validate these findings. Shadare et al. (2009) identifies motivation as a key factor in organizational performance through employee performance. Motivated employees perform better than those that are less motivated, and, have a propensity towards commitment, hard work, willingness, and put in more effort leading to improved performance (Guay et al., Vansteenkiste et al., 2006, Azar & Shafighi, 2013). Grant (2008) and Asim (2013) studies on effects of employee motivation determined that performance was a direct outcome of motivated employees.

A study by Kuria, Namusonge & Iravo (2016) focusing on effect of leadership on organizational performance in the healthcare sector in Kenya found that employee participation is increased by leaders whose focus is on building relationship and developing trust thus leading to performance in their organizations. The study concluded that leadership influences employee performance in Kenya’s healthcare sector, and though it did not distinguish between different leadership styles, we can associate the findings with transformational leadership on the basis of the leaders’ focus on building relationships, interactions and trust as these are characteristic of transformational leadership. This finding is further supported by Bakker & Schaufeli (2008) who posit that positive interactions between employees and managers leads to increased engagement levels. Ng’ethe, Namusonge, & Iravo (2012) as cited in Kuria, Namusonge, & Iravo (2016) also associated transformational leadership with increased organizational commitment.

Further out in Ghana, a study by Aduo-Adjei et al. (2016) on impact of motivation on work performance of health workers in a teaching hospital found that both intrinsic and extrinsic motivational factors positively impact performance of health care workers. Bhatnagar & Srivastava (2012) highlight the significance of studying the impact of employee job satisfaction in healthcare as a critical factor in achieving high employee motivation.

The gender factor came to play with majority of participants (53%) indicating a male leader would have a bigger positive influence on employee motivation. This contradicts findings of a study by Rawat (2015) which studied impact of transformational leadership on
employee morale and motivation and determined that women make better transformational leaders due to their high emotional intelligence as opposed to male leaders, and, therefore have more impact on employee motivation than male leaders. However, the study positively associated transformational leadership with employee morale and motivation. Very little research exists on leader gender / style on employee motivation. Most studies focus on the gender of respondents rather than that of leaders, results of which cannot be utilized in the current study in trying to associate leadership gender with employee motivation. It is, therefore, very difficult to take this study’s finding that male leadership has a better effect of employee motivation than female leadership at face value as there could be other underlying factors such as stereotypical tendencies and societal profiling where leadership is more associated with men rather than women.

5.3.2 Effect of Transformational Leadership on Employee Innovation / Innovative Work Behavior

Analysis of results for this section indicated that transformational leadership was strongly correlated with employee innovation / innovative work behavior. Questions focused on factors that enable, influence, or drive employees to be more creative and innovative at work. The highest mean score related to respondents’ opinions on what leadership should do in order to encourage employees to make contributions in ideas in order to achieve high quality care and outcomes. Employees felt that leadership does not adopt and utilize new ideas from employees. This was expressed by the majority of respondents (32%). However, 82% of the participants indicated they were free to share new ideas with colleagues and management although they were not adopted. 70% of participants agreed that leadership provides mentoring, coaching and support to employees in searching for new processes and products, while 68% of participants agreed that their work environment facilitates innovative thinking and enables them to improve their performance.

Results indicated that leadership creates an environment that encourages creativity and innovation as agreed to by 74% of participants and that leadership stimulates and supports new idea generation and processes that make work easier (72%). Supervisors provide honest feedback on employees’ ideas as indicated by 71% of participants while 67% do agree that employee input is valued and encouraged. Respondents also indicated that employees are encouraged to engage in alternative thinking in handling tasks and that though the management may not adopt all their ideas, it makes honest effort to assess their
viability. They also indicated that sufficient resources are allocated by management to facilitate implementation of new ideas if and when adopted. However, when asked whether they thought management would take a risk with employees’ ideas, majority of them were uncertain.

These findings align with results of empirical studies which positively links transformational leadership with employee innovation / innovative work behavior. A transformational leader positively influences employee innovation through intellectual stimulation and support leading to creation of new ideas and reorganizing work processes. (Ferris et al., 1995). Empirical studies link transformational leadership to mentoring, coaching, support and intellectual stimulation which enhances idea exploration as employees are stimulated to use their abilities to find new ways and ideas in improving products and processes. Idea exploration, generation, championing, and realization are positively linked to transformational leadership as studies by Reuvers et al. (2008) and Afsar et al. (2014) indicate. A transformational leader’s targeted interaction with employees enables him or her to create commitment and a shared vision amongst employees and this facilitates sharing of new or innovative ideas, as the studies by Ahmad et al. (2014) and Jung et al. (2003) found out. Transformational leaders endeavor to create an environment that inspires and supports employees’ innovative abilities and this enables them to create new ideas and concepts that make it possible to improve products and processes (Avolio et al. 2004, Scott & Bruce, 1994).

Jung et al. (2003) associated leadership style with organizational innovation. Their study revealed a positive relationship between transformational leadership and organizational innovation and an organization climate with an orientation for innovation. These findings indicate that transformational leaders have the ability to create an environment where innovation or innovative work behavior thrives. In their study, Khan, Aslam, & Riaz (2012) looked at different leadership styles and used leadership as a predictor for innovative work behavior in employees. Results of this study indicated a positive link between transactional and transformational leadership and employee innovative work behavior. However, amongst the three leadership styles assessed, i.e. transactional, transformational, and laissez-faire, transformational leadership stood out as the strongest predictor of employee innovative work behavior.
Majority of the participants (46%) indicated that male leadership would have bigger influence on employee innovation / innovative work behavior than female leaders. Reuvers et al. (2008) in their study also examined the effect of gender of the leader on employees’ innovative work behavior and results indicated that employees exhibited increased innovative work behavior under a male leader as opposed to a female leader. Khan, Aslam, & Riaz (2012) compared male and female leaders and concluded that leadership style does impact behavior. The study also found that male leaders considered themselves more innovative than female leaders.

In the current study, 68% of participants indicated that their work environment facilitates innovative thinking and enables them to improve their performance. This view is supported by empirical studies which positively associate employee innovation / innovative work behavior with increased employee job performance. Alternative thinking, searching for improvements, devising new ways of handling or completing tasks, applying new work methods, developing and engaging new technologies are all aspects of innovative behavior that directly affects performance. Dörner (2012) established that innovative work behavior leads to task performance improvements.

Employee innovation / innovative work behavior has been found to be active in healthcare settings. In this study, when participants were asked what else leadership should do to ensure every employee has an opportunity contribute to improved service and quality of care, 32% of respondents said that leadership should value, adopt and utilize new ideas from employees. These results align with Plsek’s (1999) which established that in order to achieve the desired healthcare quality, health systems must continuously change in order to provide the desired care results. Plsek (1999) further indicated that engaging staff in the thinking process facilitates generation of new ideas on how best patient care can be optimized. Berwick (1998) concurs by stating that changing processes of care improves medicine practice and leads to better patient care management. Healthcare organizations must, as a necessity, engage staff in devising new ways to improve delivery of care. A critical ingredient for the success of improved care delivery is the leadership style. Transformational leadership is characterized by elements that facilitate employee innovation / innovative work behavior.
5.3.3 Effect of Transformational Leadership on Employee Job Satisfaction

Analysis of data for this section indicated a positive correlation between transformational leadership and employee job satisfaction. Questions focused on aspects of the work environment that facilitate job satisfaction and elements that contribute to increased job satisfaction. An open-ended question on what participants would like to see in the organization had 71% of participants make various suggestions, key of which was recognizing and rewarding employees for good performance. Others indicated they would like to see implementation of employee satisfaction surveys, salary harmonization, opportunities for career progression, improving management / leadership, team building activities of all which contribute positively to employee satisfaction. 98% of respondents indicated they work beyond normal work hours to meet work expectations as 86% indicated they meet their work targets. Respondents agreed that leadership encourages open communication and pays attention to employees’ personal matters (75%) and their qualifications match their jobs (75%). They also agreed that their knowledge, skills and abilities are effectively utilized (74%). This means they are not exploited or underutilized. Results indicate that leadership creates a positive work environment as agreed to by 74% of respondents. 65% of participants indicated that they are satisfied working with the organization. Other aspects of employee job satisfaction included teamwork, training programs to improve work processes and career progression, effective supervision, employee welfare (leave / vacation time, work life balance, diversity), recognition and reward, salaries / remuneration, and medical benefits.

The above findings are in line with and supported by results of empirical studies on effect of transformational leadership on employee job satisfaction. Transformational leadership effectively encompasses all the facets of employee job satisfaction through its characteristics. Al-Ababneh (2013) determined that leadership approach is crucial in determining employee job satisfaction. Brockner (1988), Chen & Spector (1991) and De Cremer (2003) highlight a leaders’ support and consideration of employees as instrumental to higher levels of employee job satisfaction. A study by Al-Hussami (2008) explored different leadership styles and concluded that transformational leadership has the highest positive effect on employee job satisfaction than any other leadership style. In the current study, 67% of participants indicated that leadership provides effective supervisory interaction with employees. This finding is supported by Miles & Mangold (2002) study,
which concluded that a leaders’ performance and effective supervisory interaction with employees facilitates job satisfaction. Cumming et al. (2010) add transformational leadership achieves appropriate selection of employees, creates or develops a positive work environment leading to improved employee satisfaction and reversal of employee turnover. Hamidifar (2010) in his study also concluded that employees’ job satisfaction is positively affected by transformational leadership.

Results indicated that majority of participants agreed they have they have the tools they need to perform their job effectively, 73% agreed that the supervisor provides objective feedback on their performance and makes suggestions for improvement, 73% of participants indicated that their performance is systematically evaluated by their supervisors, while 68% indicated that they are effectively facilitated to perform well in their work. 55% of participants indicated that their supervisors recognize their performance and reward achievement. These findings are consistent with various empirical studies. Cummings (1970) linked performance with satisfaction and reward. Mirvis & Lawer (1977) in their study on bank tellers’ performance concluded that there is a positive relationship between job satisfaction and employee performance. Kornhanuser & Sharp (1976) conducted more than 30 studies in the industrial sector and established that a positive relationship exists between job satisfaction and employee performance. Pushpakumari (2008) determined that intrinsic and extrinsic rewards leads to employee job satisfaction through job content and job context factors. He concluded that satisfied employees perform better and that job satisfaction significantly impacts employees in a private organization.

Findings of the current study are consistent with studies in the healthcare setting. In healthcare organizations, patient satisfaction with services is the ultimate measure for performance and studies indicate an existence of a strong correlation between medical staff job satisfaction and patient satisfaction. Bhatnagar &Srivastava (2012) note that a committed and quality workforce enable healthcare organizations to provide highest quality services to patients. They underscore the importance of managers to be cognizant of issues standing in the way of staff wellbeing, such as job satisfaction. In their investigation on the relationship between job satisfaction and job performance in healthcare services, Platis et al. (2014) established a strong positive correlation between nurses’ job satisfaction and job performance.
On the aspect of gender of the leader, majority of the participants (43%) were of the opinion that a male leader would have a bigger influence on employee job satisfaction. Empirical studies in this area produce mixed opinions. Choi (2013) supports the findings of the current study. Choi’s findings indicated that employees were more satisfied with male leaders than with female leaders. In their study on the effect of gender on transformational leadership and job satisfaction among Saudi nurses, Alghamdi, Topp, & AlYami (2018) found that nurses, irrespective of whether they were male or female, recorded higher satisfaction levels with a male transformational leader. Several other studies cited in Alghamdi, Topp, & AlYami (2018) point to different directions. Some studies indicate male employees working under female transformational leaders were less satisfied and female employees working under a male transformational leader were more satisfied. Grissom, Nicholson-Crotty, & Keiser, (2012) in their study found that male employees working under a male leader were more satisfied. Other studies have associated female transformational leadership with high employee job satisfaction in female employees than with male employees (Ayman, Korabik, & Morris, 2009). Paustian-Underdahl, Slattery Walker & Woehr (2014) in their study concluded that there is no difference between men and women leaders in leadership behaviors and a leader’s effectiveness.

There were negative findings though with majority of respondents indicating they are not satisfied with the pay they get (58%), 43% (majority) were not happy with the medical benefits the organization offers employees, and 35% (majority) feel promotions are not on merit and they are not satisfied with how they are determined and effected. However, 65% of participants indicated that they are satisfied working with the organization, and 53% agreed that the workforce is treated as the most valued asset in the organization.

5.4 Conclusions

5.4.1 Effect of Transformational Leadership on Employee Motivation
The study conclusively established that transformational leadership is positively correlated with employee motivation. Therefore, we can infer that transformational leadership has a positive effect on employee performance, as a motivated employee has the propensity to perform better.
5.4.2 Effect of Transformational Leadership on Employee Innovation / Innovative Work Behavior
The study conclusively established that transformational leadership is strongly and positively correlated with employee innovation / innovative work behavior. Aspects of innovation / innovative work behavior such as engaging alternative thinking, introducing new ways of handling tasks, new methods and technologies all enable employees to be effective and productive in their work. Therefore, we can infer that transformational leadership facilitates improved employee performance through enabling employees to be innovative to make work processes easier.

5.4.3 Effect of Transformational Leadership on Employee Job Satisfaction
The study conclusively established that transformational leadership is positively and moderately correlated with employee job satisfaction. A satisfied employee will deliver better at work. Therefore, we can infer that transformational leadership, through its ability to provide an environment where job satisfaction thrives, leads to improved performance by employees.

5.5 Recommendations
5.5.1 Recommendations for Improvement
Opportunities for improvement based on the results of this research are indicated as per the study objectives.

5.5.1.1 Effect of Transformational Leadership on Employee Motivation
Though results indicate that transformational leadership and motivation are positively correlated, the relationship is moderate in strength at Aga Khan University Hospital Nairobi – Main Campus. The leadership should pay attention to factors that increase motivation amongst employees and make deliberate effort to implement them. The leadership should engage line managers especially in areas where patient contact is direct to ensure that these employees are continuously motivated to improve patient care delivery.

5.5.1.2 Effect of Transformational Leadership on Employee Innovation / Innovative Work Behavior
Transformational leadership and employee innovation / innovative work behavior are positively and strongly correlated. However, as results indicate, leadership must make
effort to critically assess and evaluate ideas generated by employees, and those found to be feasible should be adopted and implemented. This is likely to encourage more employees to come forth and make suggestions on how they feel the core business of the organization, patient care, should be enhanced.

5.5.1.3 Effect of Transformational Leadership on Employee Job Satisfaction
Leadership should evaluate aspects of employee job satisfaction that employees feel have not been addressed appropriately such as remuneration and benefits. Leadership should pay attention to promotions and annual raises and ensure employees get these on merit. A systematic performance appraisal may help identify employees that honestly deserve promotions and / or salary increases.

5.5.2 Recommendations for Further Studies
As literature on transformational leadership in Kenyan private healthcare organizations is little or non-existent, further research needs to be conducted, especially for private teaching hospitals in order to determine whether they would generate similar findings. A study on Aga Khan University Hospital Nairobi Outreach operations is also necessary and findings compared with those of Main Campus to establish if there is a discrepancy in results.

To address the issue of varied opinion on leadership gender, future studies on transformational leadership and its effect on employee performance in the Kenya healthcare space and other settings should be conducted to determine whether findings of the current research are based on cultural / societal innuendos or it is a true reflection of a leader’s actual effectiveness. Since the number of female leaders is less than that of male leaders, the study should target more female leaders in order to arrive at significant data for inference.
REFERENCES


APPENDICES

Appendix 1: Request to Conduct Research

16th April, 2018

The Chief of Staff &
Associate Dean, Clinical Affairs
Aga Khan University Hospital Nairobi
P. O. Box 30270 – 00100
Nairobi

Re: Request to Conduct Research at Aga Khan University Hospital Nairobi

The intent of this letter is to request for permission to conduct research at AKUHN. I am currently pursuing a Master of Business Administration degree at USIU-A, Human Resource Management major. My research project is to investigate “Influence of Transformational Leadership on Employee Performance in a Healthcare Service Organization in Kenya” and I intend to conduct the study over the course of Summer (May – August) Semester 2018.

The decision to conduct my study at Aga Khan University Hospital Nairobi was arrived after careful consideration and is guided by the conviction that as a leading hospital, it is rich in information that can help bring out the role of transformational leadership in boosting employee performance in private healthcare facilities.

I undertake and commit to maintain in strict confidentiality all data collected and to work within the confines of research ethics before, during and after the course of the project. The data collected and resultant information will be used only for academic purposes and due credit will be given where required.

As required, attached please find my thesis abstract, questionnaire and a letter from USIU-A Chandaria School of Business confirming my student status.

Thank you in advance for your consideration, I look forward to a positive response.

Sincerely,

Mildred N. Maisiba
USIU-A Student ID: 650211
April 25, 2018

Ms. Mildred Maisiba
P O Box 30270
Nairobi 00100

Dear Mildred

Re: Request to conduct a research at Aga Khan University Hospital, Nairobi

We are in receipt of your letter dated 16th April 2018 requesting for permission to use the Aga Khan University Hospital for your research.

Please note that your request has been approved and permission granted to carry out the study on “Influence of Transformational Leadership on Employee Performance in Healthcare Service Organization in Kenya” for your Master of Business Administration Degree course.

The following are the terms and conditions of the study:

1. This hospital will in no way be responsible for funding of this project.
2. No material belonging to the hospital e.g. files, CDs, etc may be taken out of the hospital premises.
3. On completion of the study, a copy of the report will be presented to the Hospital or the result of the study may be given in a lecture form to the medical fraternity in the hospital.
4. No part of the study may be published without written permission from The Aga Khan University Hospital, Nairobi Kenya.

Yours sincerely

Dr. Majid S. Twahir
Associate Dean, Clinical Affairs
& Chief of Staff
Appendix 3: USIU Approval to Conduct Research

6th April, 2018

Dr. Majid Twahir
Chief of Staff & Associate Dean, Clinical Affairs
Aga Khan University Hospital, Nairobi
P.O. Box 30270 – 00100
NAIROBI.

Dear Dr. Twahir,

**RE: MILDRED N. MAISIBA – STUDENT ID. 650211**

This is to confirm that the above-named is a student at USIU-A pursuing a Master of Business Administration degree (Human Resources Management Major).

The student is about to start her research project and has chosen Aga Khan University Hospital Nairobi for her study. We would appreciate if she can be allowed to conduct her research over the course of Summer Semester in 2018 (May – August 2018). She has been advised that data and information acquired in the course of her field research should be treated with utmost confidentiality.

The research findings from this research will be used for academic purposes **ONLY** but the student will be free to share them with Aga Khan University Hospital.

Thank you for your cooperation in this matter.

Sincerely,

Prof. M. Peter Lewa
Dean, Chandaria School of Business
Appendix 4: Research Questionnaire

Influence of Transformational Leadership on Employee Performance in a Private Healthcare Service Organization in Kenya

Background
Transformational leadership is distinctly among the most popular approaches to understanding the effectiveness of leaders. Transformational leaders are credited with the art and ability to modify the way followers perceive themselves in a way that enhances commitment and involvement in a common objective. The intent of this data will be to help ascertain if transformational leadership, as a model leadership for efficiency and organizational progression, best supports optimum employee performance in a healthcare service organization.

Statement of Informed Consent

Dear Research Participant,
You are requested to voluntarily take part in this research study. This study is intended to collect data about the effect of transformational leadership on employee performance. Participation in the study will not attract any pay and there will be no implications for withdrawal from it. Personal information will not be required and as such you will be an anonymous participant. Any action on your part related to this study, be it a decision not to participate or complete the questionnaire, will be treated with utmost confidentiality, as will be the information collected. You will need about 30 minutes to complete the questionnaire. The exercise is completely risk-free to you and you are at liberty to make decisions as you deem fit if there will be any grounds for discomfort to you. Completion and submission of this questionnaire will signify an understanding on your part of the above information and will be taken as consent to participate in the study.

Section I questions are intended to collect information about the research participants as employees of AKUHN. Please tick the box that best describes you as the individual employee.

Section II, III, and IV questions focus on the study variables of motivation, innovation / innovative work behavior and job satisfaction (dependent variables) and transformational leadership (independent variable) and are intended to help the researcher establish patterns of association with employee performance.

Date: ______________________
Please tick the appropriate box.

Section I: General Information

1. What is your gender?
   - Male
   - Female

2. What is your age?
   - Under 25 years of age
   - 25–34 years of age
   - 35–44 years of age
   - 45–54 years of age
   - 55–64 years of age
   - 65 years or older

3. What is your highest educational qualification?
   - High school Certificate
   - Trade/technical/vocational training
   - Certificate level
   - Diploma or associate degree
   - Bachelor’s degree
   - Postgraduate diploma
   - Master’s degree
   - Doctorate degree

4. What is your position in the hospital?
   - Chief
   - Director
   - Senior Manager
   - Manager
   - Coordinator
   - Team leader
   - Base level employee

5. For how long have you been in this position?
   - 0 – 5 years
   - 6 – 10 years
   - 11 – 15 years
   - 16 – 20 years
   - 21 years and over

6. For how long have you worked with the hospital?
   - 0 – 5 years
   - 6 – 10 years
   - 11 – 15 years
   - 16 – 20 years
   - 21 years and over

7. What is your current annual income?
   - Less than Ksh.500,000
   - Ksh.500,000 to Ksh.599,999
   - Ksh.600,000 to Ksh.699,999
   - Ksh.700,000 to Ksh.799,999
   - Ksh.800,000 to Ksh.899,999
   - Ksh.900,000 to Ksh.999,999
   - Ksh.1,000,000 to Ksh.1,999,999
   - Ksh.2,000,000 to Ksh.2,999,999
   - Ksh.3,000,000 or more
### Section II: To Investigate if Transformational Leadership Leads to Employee Motivation

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<tr>
<td>1. The leadership articulates the vision of the organization well.</td>
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<td>2. The leadership empowers me to do the best for the organization.</td>
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<td>3. The leadership motivates me to work.</td>
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<td>4. I am inspired by the leadership to pursue common objectives for the good of the organization.</td>
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<td>5. I feel like my organization values me as an employee.</td>
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<td>6. I am sufficiently appreciated and recognized for the roles I play and my achievements at work.</td>
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<td>7. My goals are well articulated and my work environment enables me to accomplish them.</td>
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<td>8. I feel that I am paid well and that my salary and remuneration match my output.</td>
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<td>9. The benefits I receive help me cope with personal needs.</td>
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<td>10. My supervisors provide clear guidance and direction on my tasks, openly communicate and help me achieve my goals.</td>
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<td>11. I work in a team environment and enjoy support from other colleagues.</td>
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<td>12. I participate in setting organizational objectives and I am committed to achieving them.</td>
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<td>13. Change in the organization is handled in such a way that it does not affect employee motivation.</td>
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<td>14. The reward systems in place are effective to maintain high motivation levels for employees.</td>
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<td>15. Employees are motivated to perform their best in their individual and collective roles.</td>
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<td>16. The organization has in place motivation systems that boost employee performance leading to better patient care delivery.</td>
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<td>17. How would you compare past and current leadership styles and their effect on employee performance?</td>
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<td>18. In your opinion, has the current leadership led to improved or declining employee performance?</td>
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<td>19. In your opinion, who between female and male leadership would have a bigger influence on employee motivation:</td>
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### Section III: To Investigate if Transformational Leadership Encourages Innovation / Innovative Work Behavior among Employees

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<td>20. The leadership creates an environment that encourages creativity and innovation.</td>
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<td>21. The leadership stimulates and supports new idea generation and processes that make work easier.</td>
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<td>22. The leadership provides mentoring, coaching and support to employees in searching for new processes and products.</td>
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<td>23. Leadership allocates sufficient resources to facilitate implementation of adopted ideas generated by employees.</td>
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<td>24. The organization is willing to take a risk with ideas generated by employees.</td>
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<td>25. Employees are encouraged to engage alternative thinking in handling tasks.</td>
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<td>26. Employee input is valued and encouraged.</td>
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<td>27. Employee’s innovative work behavior contributes to improved care for patients.</td>
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<td>28. I am at liberty to share new ideas with colleagues and management.</td>
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<td>29. My ideas are valued and management makes an honest effort to assess their viability.</td>
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<td>30. My supervisor provides honest feedback on my ideas.</td>
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<td>31. My work environment facilitates innovative thinking and enables me to improve my performance.</td>
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<td>32. In your opinion, what else should leadership do to ensure every employee has an opportunity to contribute to improved service and quality of care?</td>
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33. In your opinion, who between female and male leadership would have a bigger influence on employee innovation/innovative work behavior:
Section IV: To Investigate if Transformational Leadership Leads to Increased Job Satisfaction

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<td>34. The leadership creates a positive work environment.</td>
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<td>35. The leadership provides effective supervisory interaction with employees.</td>
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<td>36. The leadership encourages work life balance for employees.</td>
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<td>37. The leadership takes staff welfare seriously and is committed to finding ways to keep employees satisfied.</td>
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<td>38. The leadership encourages teamwork and deliberately creates an environment in which teamwork flourishes.</td>
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<td>39. The leadership encourages open communication and is accessible to employees for work and personal matters.</td>
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<td>40. The leadership recognizes diversity in the workforce and employs effort to ensure every employee feels a sense of belonging.</td>
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<td>41. The organization provides training programs to support work process improvement and career progression.</td>
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<td>42. The organization recognizes my contribution and provides me a sense of personal accomplishment.</td>
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<td>43. There are career progression opportunities and I have benefited from them.</td>
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<td>44. Promotions are on merit and I am satisfied with how they are determined and effected.</td>
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<td>45. I am satisfied working with this organization.</td>
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<td>46. I am satisfied with the pay that I get.</td>
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<td>47. I am satisfied with the medical benefits the organization offers employees.</td>
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<td>48. I get sufficient vacation time and I am able to attend to personal emergencies when they arise.</td>
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<td>49. I get an annual raise and I am satisfied with the manner in which it is determined.</td>
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<td>50. I am able to meet my work targets.</td>
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<td>51. I am effectively facilitated to perform well in my work.</td>
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<td>52. I like my work and go beyond normal hours to meet expectations.</td>
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<td>53. My knowledge, skills and abilities are effectively utilized.</td>
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<td>54. I have the tools I need to perform my job effectively.</td>
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<td>55. My performance is systematically evaluated by my supervisor.</td>
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<td>56. My supervisor provides objective feedback on my performance and makes suggestions for improvement.</td>
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<td>57. My supervisor recognizes my performance and rewards achievement.</td>
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<td>58. My supervisor takes my concerns seriously and makes honest effort to address them.</td>
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<td>59. My qualifications match my job.</td>
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<td>60. I am sufficiently equipped to handle patient issues to their satisfaction.</td>
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61. In your opinion, who between female and male leadership would have a bigger influence on employee job satisfaction:

62. In your opinion, is the workforce treated as the most valued asset in this organization?

63. Please indicate any issues not captured that you would like to see in this organization.