Effect of Intellectual Stimulation on Organisational Performance of State Corporations in Kenya

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Abstract: This study sought to find out the effect of intellectual stimulation leadership on organisational performance of state corporations in Kenya. Specifically, the study sought to find out whether intellectual stimulation as a facet of transformational leadership style is required for improved organisational performance of State Corporation in Kenya. To meet the purpose of the study, relevant leadership theories and various leadership styles were reviewed thoroughly. Literature relating to intellectual stimulation leadership was reviewed, as well as literature relating to the dependent variable. The study adopted a descriptive research design where the use of measures of central tendency such as mean and standard deviation was employed. The study obtained primary data from 165 respondents randomly selected from 8 randomly selected state corporations in Kenya using a structured and semi-structured questionnaire captured through a 5-point type Likert scale. Data on the performance of these 8 State corporations was collected from the division of performance contracting in the Ministry of Devolution and Planning. The questionnaires were self-administered using the drop and pick method. A pilot study was undertaken on the sample population. The questionnaire was subjected to overall reliability analysis of internal consistency. Statistical Package for Social Sciences (SPSS) version 21 was used for analysis to generate descriptive statistics and inferential statistics. Descriptive statistics included percentages and frequencies while the inferential statistics included a multiple linear regression model. Study results were presented in form of figures and tables. The study established a significant relationship between intellectual stimulation leadership and organizational performance of state corporations in Kenya. The study suggests that Cabinet Secretaries take priority concern of the critical role of intellectual stimulation as a key attribute of leaders appointed to head State corporations in Kenya to transform the organisations.

Keywords: Adjustment, Agreeableness, Dependability, Intellectual outlook, Intellectual stimulation, Leadership, Performance, Public sector, public sector management, State Corporation, Surgency.

I.   INTRODUCTION

Structural adjustment programmes (SAPS) era of the 1980s have been linked to the high rate of income inequality, inflation, unemployment and retrenchment which have lowered living standards (Rono, 2002).   Emphasis was then shifted to the introduction of New Public Management models in reform programmes of several, if not all public sector institutions including State Corporations. Public Sector reforms of 1993 were implemented in three phases. The reforms focused on cost containment, rationalization of government ministries and departments respectively in the first two phases. The third phase was the Economic Recovery policy direction as opined by DPM (2004) and adopted Performance Contracting (PC) in public service as a strategy for improving service delivery to Kenyans. The economy grew at an average of 5.4% during the period 2003-2007 though it could not be sustained and quickly dropped to an average of 4.2%

during the period 2008-2011 (Randa & Gubbins, 2013). The performance of State Corporations had declined from 64.8% in 2009/2010 to 64.6% in 2010/2011 during the 2012 evaluation (GoK, 2012). The report of the presidential taskforce on parastatal reforms points out challenges in state corporations ranging from complete failure to missed opportunities (GoK, 2013b). The report attributed the failure to the lack of strategic vision in what the entity could or needed to do. Vision 2030 projects a sustained economic growth at annual rate of 10 per cent hence attention now need to shift to leadership development. Bass and Avolio (2004) opine that intellectual stimulation leadership approach creates significant change in the life of people and organizations hence realization of the outcomes envisaged in Vision 2030 is almost guaranteed. The GLOBE study of 62 societies examines culture as it relates to leadership in all the major regions of the world.

According to House and Javidan (2004), effective leadership styles of participation are common in the individualist west and are questionable in the collectivist east while Asian managers heavily emphasize paternalistic leadership and group maintenance activities. According to the study, charismatic leaders are recognizable but may demonstrate high degrees of assertiveness such as John F. Kennedy and Martin Luther King, Jr., or quietly non-assertive, like Mahatma Gandhi, Nelson Mandela and Mother Teresa. The GLOBE study established that in the U.S, leaders who listened carefully to what the follower was saying was valued. In China, it's the leader who praises the follower in the presence of other followers who is valued (House & Javidan, 2004). Careful listening is an aspect of individual consideration in transformational leadership, while praising a follower is an aspect of idealised influence in transformational leadership. North American theories have been individualistic and rationalistic (House & Javidan, 2004). The theories have stressed individual incentives and follower responsibilities, and have assumed hedonistic motivation, the centrality of work and democratic orientation. The shift in the GLOBE study, is from individual motivations to cultural forces as the major determinants of leaders and of the framing of leadership. In the study, analysis of the 65 leader traits that constitute the six leader styles showed 22 of them to be universally desirable characteristics. The 22 are characteristics that make it likely for a leader to be perceived as outstanding. Of the 22 characteristics, four strongly fall under intellectual stimulation construct. Items under intellectual stimulation identify four leader traits which are decisiveness, forward planner, intelligent and one who is administratively skilled.

Gonye and Moyo (2013) in the study of African leadership, argue that that the lack of transformational leadership is the bane of African politics. According to the study, a cursory look at the relationship between the current crop of African political leaders and their nations' citizens, prompts effective performance and good governance enthusiasts to question the apparent absence of important transformational leadership tenets among most African leaders. That relationship is often marked with a literal cordoning off of the masses from the person they made leader; the leader and the led seem not to share a vision, yet the leader professes to champion a national vision towards which he pulls the followers. Gonye and Moyo (2013) argue that, the conduct of national politics in post independent Africa has been fundamentally antithetical to the tenets of transformational leadership maybe because after independence most liberation movements either failed or refused to transform themselves into governing movements with all that goes with statecraft. The research by Gonye and Moyo (2013) suggests that African politicians could benefit from borrowing leadership styles from Burns' and Bass' transformational models of leadership. The study contends that Africa needs transformational leaders able to personify, articulate and defend a national vision, and thus garner voluntary support from the diverse masses, but, instead, has lately been 'blest' with inconsistent leaders, those who rule by quid pro quo and, at worst, outright dictatorship.

Kwaka, Okombo, Muluka and Sungura-Nyabuto (2011) argue that one of the most widely held opinion the world over is that poor leadership has failed Africa. The book records that development literature is awash with observations that Africa has enormous resources and, in fact, would be the next economic growth spot for the world economy. It is further argued that in Kenya, hardly a week passes without a headline related to leadership failure in the newspapers' regular columns, occasional commentaries and letters to the editor. One comes across headlines such as, Famine Caused by a Leadership Draught, or Accidents Kill Hundreds of Kenyans as Leaders Plead with Drivers, or Poverty, a Sign of Poor Leadership. The practice of transformational leadership has begun to emerge in Kenya on the background of poor results of transactional leadership (Bukachi, 2009). According to Bukachi, transactional leadership in Kenya has resulted in gross mismanagement. However, people in Kenya have started to demand better leadership whose qualities are drawn from transformational leadership (Bukachi, 2009). In his report, Bukachi noted that there is now a new group of leaders in the public and private sectors in Kenya that have begun to demonstrate transformational leadership. The studies carried out in Kenya have focused mainly on the role of transformational leadership of education outcomes. Mwangi, Mukulu and

Kabare (2011) analysed the significance of emotional intelligence on transformational leadership in public universities in Kenya. Results in that study showed that emotional intelligence was significant in transformational leadership. Ayiro (2014) carried out a study on transformational leadership and school outcomes in Kenya and established that emotional intelligence was a critical component of leadership. The study purposed to advance and expand research on emotional intelligence and transformational leadership in schools in Kenya. According to the Budget implementation Review Report for the period 2012/2013, the performance of many State corporations in Kenya has been disappointing. The report gives an example where Ksh 1.93 billion was spent to service loan defaulted by three State Corporations (GoK, 2013). The Annual Public Debt Report 2011/2012, indicates that of the Kshs. 961.3 million payments by the Government on Guaranteed Debt in 2011/12, 95.6% was on debt accruing to two (2) State Corporations, pointing to significant defaults in payments. As at June 2013, the status of publicly guaranteed debt for state corporations stood at Ksh 47,168.60 million.

According to the Parliamentary Public Investment Committee (GoK, 2011), Leaders in State corporations have failed to position these organizations for success. The report by Mwaura (2007) revealed that failure in state corporations is largely a function of weak leadership arising from the dependence of directors on political actors. Kihara, Yano & Mori (2013), concluded that commitment of leaders affects the process of implementing the performance systems in an organization to a great extent. The report of the presidential taskforce on parastatal reforms (GoK, 2013b) points out a number of cases of complete leadership failure and missed opportunities from established state corporations. For instance, the Kenya Railways Corporation is a shell of its former self, despite its earlier significant role in Kenya's wealth creation. The lack of leadership vision of what this entity could and should do has led to selection of sub-optimal choices that have cascaded negative effects into the wider economy, beyond the railways itself. Research has shown that leadership effectiveness and motivation can contribute to growth and social good in Africa (Agulanna, 2006). Notwithstanding this finding, the concept of leadership effectiveness and motivation are poorly contextualised because the African perspective of leadership effectiveness and motivation are poorly articulated and understood (Senaji et al., 2014). A limited number of studies have paid attention towards understanding the process of transformational leadership behaviour in enhancing organisational performance. The GLOBE study for instance presents just one page on sub-Saharan Africa in its book of studies and offers limited findings in its analysis of empirical data (House & Javidan, 2004). This study sought to seal the knowledge gap in the current literature cited by establishing the effect of intellectual stimulation on organisational performance of state corporations in Kenya.

II. METHODOLOGY

A descriptive study was used to obtain information about the status of the influence of intellectual stimulation on organisational performance of state corporations in Kenya. The study was carried out in Kenya and covered all State corporations. The study covered managers of the state corporations. The independent variable Intellectual Stimulation while Organisational performance was the dependent variable. The study was governed by the Trait Leadership theory developed from early leadership research which focused primarily on finding a group of heritable attributes that differentiated leaders from non-leaders. Traits theory focuses purely on a leader's personality traits. Yukl (2002) suggests that the big five broadly defined personality traits are surgency, dependability, agreeableness, adjustment and intellectual outlook. This study adopted both descriptive and quantitative research designs. A descriptive approach involved the presentation of details in number form using frequencies and others measures of central tendency such as the mean and the standard deviation. Frequencies presented the percentages and in some cases number, sex and age bracket of the respondents that are associated with each variable. In quantitative analysis, the responses to the questions for the independent variable was pre-determined. The questionnaire measured intellectual stimulation as a construct of transformational leadership. For the dependent variable, the study adopted a purely analytical approach. The study utilised information already available from the performance contracting secretariat on performance of State corporations. This study used the positivism philosophy since it was a survey research study; it focused on the descriptive, relational and causal aspects of the research study variables. According to Burke (2007), interpretive paradigm is used to understand the World of human experiences. In interpretive paradigm, researcher recognizes the impact on research of background and experience (Burke, 2007).

The leaders from all State corporations formed the population for this study. These were the high-level employees in state corporations who are involved in organisation wide decision making. They included top management team, managers,

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managing directors, General managers, departmental leaders and their deputies; lecturers, Vice Chancellors and their Deputies, and Chief Executive Officers. The total number of leaders in state corporations was estimated at 5,140. A total of 165 leaders provided feedback for this study. The sampling frame for this study constituted a register of all leaders in the state Corporations in Kenya. The sample size for the survey research was determined by applying the statistical formula and was calculated to be 200 items. State corporations were classified into 8 categories namely; financial, commercial and manufacturing, regulatory, service corporations, regional development, public universities, tertiary learning institutions, and Research and training institutions. To represent each of these classes, simple random sampling was used to select one State Corporations from each of these categories. Table 1 contains the names of the selected state corporations.

Table 1: Sample Selected State Corporations by category

No.	Category of State Corporation	Name of State Corporation
1	Financial	Kenya Re-insurance
2	Commercial and Manufacturing	Kenya Power
3	Regulatory	Kenya Bureau of Standards
4	Service Corporation	Coast Water Services Board
5	Regional Development	Kerio Valley Development Authority
6	Public Universities	Jaramogi Oginga Odinga University
7	Tertiary Institutions	Kenya Medical Training College
8	Training and Research	Kenya Marine and Fisheries Research

From each of the 8 selected state corporations, 25 Questionnaires were sent to be administered to 25 randomly selected leaders in the state corporations. This was translated to a total of 200 questionnaires sent out for administration administered. For State Corporations outside Nairobi city namely Jaramogi Oginga Odinga, Kenya Marine and Fisheries Research, Kerio Valley Development Authority and Coast Water Services Board, questionnaires were sent and received by post while the ones in Nairobi, the questionnaires were hand delivered and picked. Each questionnaire was issued with an envelope and sealed on return. The instrument was used to assess perceptions of leadership effectiveness from many different levels of the organization. The study made use of a four item scale for each variable because of its high reliability. For the measurement of the dependent variable, organisational performance, quantitative data was collected from the division of performance. Because of the different objectives and classification of state corporations in Kenya, Organisational performance was measured by one related construct, which was operational performance. Operational performance was measured as overall service quality, and operations. The study also used interviews by carrying out discussions with 13 selected leaders from the sample of selected state corporations. The state corporations from which managers were sampled include KMTC, Kenya Power, Coast water Services Board and Kenya Bureau of Standards. During the interview session, leaders shed some light on leadership attributes, which in their view, had contributed to the performance of their respective state corporation. A pilot test was conducted in the Kenya Bureau of Standards and Coast Water Services Board. This enabled the researcher test for reliability and validity of the instruments.

This study measured reliability using Cronbach alpha coefficient. Cronbach (2003), interpreted the measure as reliable for an alpha of 0.7 and above. Were (2013), adopted Cronbach's alpha of 0.7 and found her measures to be reliable. The Cronbach's alpha for this study was 0.934, which was greater than 0.7. In order to ensure the instruments and measures were valid, the study made use of Construct Validity. Construct Validity was used to ensure that the measure actually measured what it was intended to measure, and no other variables. Construct validity was measured from two different dimensions, namely; convergent validity and discriminant validity. In the questionnaire, the researcher had asked questions that attracted both qualitative and quantitative data. For the qualitative data emanating from the dichotomous questions, simple percentages were used and these lead to descriptive statistics. Responses to the "how" questions were put in thematic areas, from which descriptive statistics emerged. To be able to make inference from such responses, the researcher considered the various themes created together with the literature and develop arguments thereafter which were then be used to make conclusions. For the quantitative responses, the researcher made use of tools like hypothesis tests for existence of significant differences and ANOVA for goodness fit and to determine whether the overall model was statistically significant. After quantitative data was obtained through questionnaires, it was prepared in readiness for

analysis by editing, handling blank responses, coding, categorizing and keyed into statistical package for social sciences (SPSS) computer software for analysis. The choice of SPSS version 21 to other statistical software was that it was user friendly. The statistics generated were descriptive statistics and inferential statistics. The specific descriptive statistics included percentages and frequencies while the inferential statistics included multiple linear regression model and Pearson correlation. The simple linear regression model was used to measure the relationship between the independent variable and the dependent variable which were explained in the model. The regression model helped to explain the magnitude and direction of relationship between the variables of the study through the use of coefficients like the correlation, coefficient of determination and the level of significance.

The simple linear regression equation that was used in the model was:

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$

Where:

Y= Organisational Performance

β_0 = Constant Term,

X_1= Intellectual Stimulation

In the model, β_0 = was the constant term while the coefficients $\beta_i i = 1$ was used to measure the sensitivity of the dependent variable (Y) to unit change in the predictor variable X_1. ε was the error term which was used to capture the unexplainable variations in the model.

It was essential to ensure non-violations of the assumptions of the classical linear regression model (CLRM) before attempting to estimate equation. Estimating these equations when the assumptions of the linear regression are violated runs the risk of obtaining biased, inefficient, and inconsistent parameter estimates (Brooks, 2008). Consequently, linearity test and heteroscedasticity were conducted to ensure proper specification of equations and as given above. Linearity means that two variables, "x" and "y," are related by a mathematical equation "y = cx," where "c" is any constant number. The importance of testing for linearity lies in the fact that many statistical methods require an assumption of linearity of data. This occurs when data is sampled from a population that relates the variables of interest in a linear fashion. This means that before using common methods like linear regression, tests for linearity must be performed (Jin, Parthasarathy, Kuyel, Geiger, and Chen, 2005). Linearity test was conducted for each variable. SPSS, statistical software tool through scatter graph graphical method was used to observe with ease the possibility of the data arriving from a linear population.

Parametric tests such as correlation and multiple regression analysis require normal data. When data is not normally distributed it can distort the results of any further analysis. Preliminary analysis to assess if the data fits a normal distribution was performed. To assess the normality of the distribution of scores, Kolmogorov-Smirnov test and graphical method approach were used. When non-significant results (> 0.05) are obtained for a score it shows the data fits a normal distribution (Tabachnik & Fidell, 2007). Since the data for this research was a cross-section of organizations, it raised concerns about the existence of heteroscedasticity. The Classical Linear Regression Models (CLRM) assumes that the error term is homoscedastic, that is, it has constant variance. If the error variance is not constant, then there is heteroscedasticity in the data. Running a regression model without accounting for heteroscedasticity would lead to biased parameter estimates. To test for heteroscedasticity, the Breusch-Pagan/Godfrey test (1979) was used. The null hypothesis of this study was that the error variance is homoscedastic. If the null hypothesis is rejected and a conclusion made that heteroscedasticity is present in the panel data, then this would be accounted for by running a Feasible Generalized Least Squares (FGLS) model.

III. FINDINGS

Table 2 provides a summary of responses received during the survey, both in figures and percentages. The study targeted a sample size of 200 respondents from which 165 completed and returned the questionnaires making a response rate of 82.5%. This response rate was sufficient for satisfactory drawing of conclusions for the study. According to Mugenda & Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent.

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Table 2: Response Rate

Response	Frequency	Percent
Returned	165	82.5%
Unreturned	35	17.5%
Total	**138**	**100.0%**

Reliability of this instrument was evaluated using Cronbach Alpha which measures the internal consistency. A Cronbach Alpha of 0.7 and above indicates the presence of internal consistency and that the instrument is reliable for use in the study (Babbie & Mouton, 2009).

Internal consistency means that the questions or item measures included for a construct actually belong to that construct (Babbie & Mouton, 2009). Gliem and Gliem (2003) established the Alpha value threshold at 0.7, thus forming the study's benchmark. The questionnaire responses were input into statistical package for social sciences (SPSS) and Cronbach's alpha coefficient generated to assess reliability. Table 3 provides reliability tests for the construct, Intellectual Stimulation for this study. Table 3 shows that all the variables had a Cronbach Alpha above 0.7 and thus were accepted. These represented a high level of reliability and on this basis, it was supposed that scales used in this study were reliable to capture the variables.

Table 3: Reliability Test

Leadership Construct	Cronbach Alpha score	Number of Items	Comment
Intellectual Stimulation	0.761	4	Reliable
Organisational Performance	0.841	5	Reliable

Descriptive Statistics measured intellectual stimulation using four questions focusing on innovation and creativity, rationality and intellect value, solicitation of new ideas and logical thinking promoted. The respondents were asked give their opinion regarding intellectual stimulation and organizational performance in state corporations. Specifically, they were asked to rate on a scale of 0=Not at all, 1= Once in a while, 2=Sometimes, 3= Fairly Often and 4= frequently, if not always. The analysis is presented on Table 4. According to results in Table 4, majority of the respondents who represented 43.5% of the respondents indicated that their leaders fairly often re-examined critical assumptions to question whether they are appropriate, 39.8% indicated that their leader frequently, if not always, 6.2% indicated once in a while, 6.2% indicated not at all while 4.3% indicated sometimes. 39.8% of the respondents agreed that their leaders frequently, if not always sought differing perspectives when solving problems, 42.9% indicated fairly. 40.4% indicated that their leaders fairly often got them to look at problems from many different angles, 43.5% indicated that they did so frequently, if not always. Finally, 42.2% indicated that their leaders frequently, if not always suggests new ways of looking at how to complete assignments while 39.8% indicated fairly often. On a five-point scale, the average mean of the responses was 3.09 which mean that majority of the respondents indicated fairly often response; however, the answers were varied as shown by a standard deviation of 1.02. The highest of the mean was 4 while the lowest was 0.

Table 4: Intellectual Stimulation

	Not at all	Once in a while	Sometime	Fairly Often	Frequently, if not always	Mean	Std. Dev
Re-examines critical assumptions to question whether they are appropriate	6.2 %	6.2 %	4.3 %	43.5 %	39.8 %	3.04	1.12
Seeks differing perspectives when solving problems	2.5 %	7.5 %	7.5 %	42.9 %	39.8 %	3.10	1.00
Gets me to look at problems from many different angles	3.1 %	4.3 %	8.7 %	40.4 %	43.5 %	3.17	0.98
Suggests new ways of looking at how to complete assignments	5.0 %	6.2 %	6.8 %	39.8 %	42.2 %	3.08	1.09
Average						3.09	1.02

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In this section, organizational performance was measured by five questions focusing on service delivery and operations. The respondents were asked give their opinion on organizational performance of state corporations in Kenya. Specifically, they were asked to rate on a scale of 1=Strongly Disagree, 2=Disagree, 3=moderately agree, 4=Agree and 5=Strongly Agree. The analysis is presented on Table 5. According to results in Table 5, majority of the respondents who represented 60.9% agreed that there was improved service delivery and service delivery innovations, 77.6% agreed that customer satisfactions feedback have improved over time due to better resolution of public complains, 78.9% of the respondents agreed that the organization has been ISO certified as a result of improved automation of services, 77.7% of the respondents agreed that project implementation completion rate has improved over time, while 64.0% of the respondents agreed that project implementation cost efficiency has been on the upward trend.

On a five-point scale, the average mean of the responses was 3.78 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.10. The highest of the mean was 5 while the lowest was 1. Therefore, average mean of the responses was 3.84 mean that majority of the respondents agreed with most of the statements.

Table 5: Organizational Performance

Statements	Strongly Disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
There is improved service delivery and service delivery innovations.	9.3%	12.4%	17.4%	32.3%	28.6%	3.58	1.28
Customer satisfactions feedback have improved over time due to better resolution of public complains.	3.7%	8.1%	10.6%	53.4%	24.2%	3.86	1.00
The organization has been ISO certified as a result of improved automation of services.	9.3%	2.5%	9.3%	55.9%	23.0%	3.81	1.11
Project implementation completion rate has improved over time.	5.0%	5.6%	11.8%	54.7%	23.0%	3.85	1.00
Project implementation cost Efficiency has been on the upward trend	13.0%	13.0%	9.9%	32.3%	31.7%	3.57	1.39
Average						3.78	1.10

Linear regression makes assumptions about the data used including; it is normally distributed, there is linearity, and that there is no multi-collinearity and no heteroscedasticity. If these assumptions are not met by the data used statistical results may yield inappropriate results. Use of data which does not conform to these assumptions may lead to type I or type II errors or may lead to over or underestimation of statistical significance (Osborne & Waters, 2002). Linearity test was conducted for the variables. SPSS, statistical software tool through scatter graph graphical method was used to observe with ease the possibility of the data arriving from a linear population. The scatter graph showed that the data used was linear. The test for normality of data was performed using both P-P plot and Kolmogorov-Smirnov test. Graphical finding depicted that data is normally distributed hence not significantly different from a normal distribution. It was thus concluded that the financial performance data was normally distributed. To test for normality of data using Kolmogorov-Smirnov, the null hypothesis posits that the data is normally distributed that is, not significantly different from a normal distribution. The results presented in the Table 6 show that the variables had p-value which were greater than 0.05 and thus the null hypothesis were not rejected. It was thus concluded that the variables were normally distributed. Graphical method results indicated that the residuals were normally distributed.

Table 6: Results of Kolmogorov-Smirnov Test for Normality

Variable	K-S Test Statistic	Df	Sig.
Intellectual Stimulation	3.161	165	0.073
Organisational Performance	2.025	165	0.093

Since the data for this research was obtained from a cross-section of organizations, it raised concerns about the existence of heteroscedasticity. The Breusch-Pagan/Cook-Weisberg test was carried out to confirm if the error variance was not constant in which case there could have been heteroscedasticity in the data. Running a regression model without accounting for heteroscedasticity could lead to biased parameter estimates. To test for heteroscedasticity was necessary to make a hypothesis in respect to the error variance and test the error variances to confirm or reject the hypothesis.

For the purposes of applying the Breusch-Pagan/Cook-Weisberg test, a null hypothesis (H_0) of this was formulated that the error variance is not heteroscedastic while the alternative hypothesis (H_1) was that the error variance is heteroscedastic. The Breusch-Pagan/Cook-Weisberg test models the error variance as $\sigma2i=\sigma2h(zi\alpha)$ where zi is a vector of the independent variable.

It tests H_0: $\alpha=0$ versus H_1:$\alpha\neq0$. Table 7 shows the results obtained when the Breusch-Pagan/Cook-Weisberg test was conducted. The results in Table 7 indicate that the p value is greater than 0.05 (0.093) and so the null hypothesis set up for this test was supported. It was found that the variables under this study did not suffer from heteroscedasticity.

Table 7: Results of Breusch-Pagan / Cook-Weisberg Test for Heteroscedasticity

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity
chi2(1) = 9.764
Prob > chi2 = 0.093

Inferential analysis was conducted to generate correlation results, model of fitness, analysis of variance and regression coefficients. Pearson Product Moments correlation was used to test the association between the variable; Intellectual Stimulation and Organizational Performance of state corporations in Kenya. Results were presented in form of Pearson statistic, having been worked out at the significance level set at 0.05. Regression model was used to check on the relationship between the variables and also used for hypotheses testing. The mean scores of statements of each variable were used to run correlation and regression analysis. The analysis of variance (ANOVA) was adopted to test the overall model significance. In particular, the calculated f statistic was compared with the tabulated f statistic. A critical p value of 0.05 was used to determine whether the overall model was significant or not. The individual regression coefficients were checked to see whether the independent variable, Intellectual Stimulation significantly affected Organizational Performance. A critical p value of 0.05 was also used to determine whether the individual variables are significant or not. The Table 8 indicates the correlation matrix between intellectual stimulation and Organisational performance. It was established that intellectual stimulation and organizational performance had a strong positive correlation which was statistically significant (r=0.626, p=0.028).

Table 8: Correlation Matrix			
		Organizational Performance	Intellectual Stimulation
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Intellectual Stimulation	Pearson Correlation	0.626**	1
	Sig. (2-tailed)	0.026	
** Correlation is significant at the 0.01 level (2-tailed).			

Regression analysis were performed by using the composites of the key variables. The data was input to the SPSS software. Results were then presented in Tables 9, 10 and 11. Table 9 present the fitness of model used in the regression model in explaining the study phenomena. Intellectual stimulation was found to be a satisfactory variable in explaining Organizational Performance. This was supported by a coefficient of determination also known as the R square of 0.742%. This means intellectual stimulation explain 74.42% of the variations in the dependent variable which is Organizational Performance of state corporations in Kenya. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 9: Model Fitness for the Regression

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.861	0.742	0.723	0.27745
Predictors: (Constant), Intellectual Stimulation			

Table 10 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variable is a good predictor of organizational performance of state corporations in Kenya. This was supported by an F calculated statistic of 12.48 which is greater than F critical 3.80 and also the reported p=0.000 which was less than the conventional probability of 0.05 significance level.

This result further imply goodness of fit of the model.

Table 10: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	22.91	4	5.728	12.48	.000
Residual	71.594	151	0.459		
Total	94.504	155			
Dependent Variable: Staff Performance					
Predictors: (Constant), Intellectual Stimulation.					

Beta coefficients results in Table 11 shows that a unit increase in Intellectual Stimulation will lead to a 0.201 increase in Organizational Performance and the relationship was significant (r=0.201, p=0.021).

Table 11: Beta Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.821	0.524		3.475	0.001
Intellectual Stimulation	0.201	0.102	0.007	2.099	0.021
Dependent Variable: Staff Performance					

Thus the optimal model of the study is;

$Y = 1.821 + 0.201X_1 + 0.524$

Where;

Y= Organizational Performance

X_1= Intellectual Stimulation

Hypotheses testing was performed using the multiple regression model presented in Table 11 above. The regression analysis was done using a linear regression model as shown below:

$Y = \beta_0 + \beta_1 X_1 + e$

Simple linear regression was used to test the hypothesis. The criteria used in hypothesis testing was that research hypothesis was not to be accepted if the p value is 0.05 or less. The research hypothesis was not to be rejected if the p value was greater than 0.05. In other words, if the p-value is less than 0.05 then it was concluded that the model was significant and had good predictors of the dependent variable and that the results was based on chance. If the p-value was greater than 0.05 then the model was not significant and was used to explain the variations in the dependent variable. The hypothesis was that intellectual stimulation leadership has no effect on organisational performance of State corporations in Kenya. Ordinary least squares regression was carried out to test this hypothesis. Results in Table 11 above show that the p-value was 0.021<0.05. The results of coefficients to the estimates were significant at the 0.05 level of significance. This null hypothesis was rejected in favour of the alternative, namely; intellectual stimulation has a positive significant effect on the performance of state corporations in Kenya.

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IV. DISCUSSIONS

The main objective of the study was to establish the establishing the effect of intellectual stimulation on organisational performance of state corporations in Kenya. Based on this objective, hypothesis (H1) was formulated which predicted that intellectual stimulation style of transformational leadership has no effect on organisational performance of State corporations in Kenya. Ordinary least squares regression was carried out to test this hypothesis. The results of coefficients to the estimates were significant at the 0.05 level of significance. This null hypothesis was rejected in favour of the alternative, namely; intellectual stimulation has a positive significant effect on the performance of state corporations in Kenya.

V. CONCLUSIONS

All constructs of intellectual stimulation were found to correlate significantly with organizational performance of state corporations. Leaders in State Corporations, lead followers to look at problems from many different angles. Similarly, leaders re-examine critical assumptions to question to check whether they are appropriate. Leaders in Kenya's state corporations suggest to followers' new ways of looking at how to complete assignments and more often seek differing perspectives when solving problems. Given the low performance of most state corporations in Kenya, this finding is rather inconsistent and further research may be necessary. It's not very common to find leaders who are innovative and creative and who establish safe conditions for experimentation and sharing ideas, but whose output is below expectation. It's also not very common to find leaders who encourage employees' creativity while challenging the status quo, but whose performance is below expectation.

VI. RECOMMENDATION AND SUGGESTIONS

The Cabinet Secretaries, majority of them involved in appointing leaders of State corporations should take note of the critical role of transformational leadership in state corporations. Appointments, particularly of chairpersons of state corporations should seriously consider the transformative configuration of the holder of this office. Political considerations should therefore be surrogate to transformational considerations.The Government and the private sector need to seriously consider investing in the developing and implementation a curriculum on transformational leadership. Training on transformational leadership must start early in the life of a child, if current and future investments are to be sustained. It is therefore necessary for basic education to make it mandatory for every child to cover substantial training on transformational leadership.

Company directors of medium sized and large enterprises should possess transformational leadership skills in order for them to effectively plan, organize and control their enterprises. This will lead to improved performance and ultimately lead to the expansion of the entire economy. Policy makers should prepare policy instruments to protect the transformational leadership agenda.In future, it is recommended that research be done to address the limitations of this study. This study considered only state corporations in Kenya, future researchers could consider carrying out a similar study in a different sector or sectors to assess any variation in responses. It would be interesting to explore how the results obtained when the methods applied in this study are applied in other contexts for example in other countries at higher or lower stages of development.

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